

Universidade do Minho

Escola de Economia e Gestão

BELT AND ROAD INITIATIVE MARKET EXCHANGE BETWEEN CHINA AND PORTUGAL

Sihang Zhang

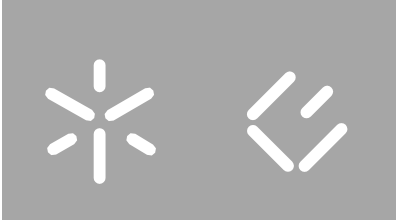
BELT AND ROAD INITIATIVE

HOW TO PROMOTE MARKET EXCHANGE BETWEEN
CHINA AND PORTUGAL

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Sihang Zhang

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HOW TO PROMOTE MARKET EXCHANGE BETWEEN CHINA AND PORTUGAL

Dissertation

Mestrado em Negócios Internacionais

Supervisor

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I declare that I have conducted this academic work with integrity. I confirm that I have not used plagiarism, any form of undue information use, or falsified results during the process leading to its elaboration.

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ABSTRACT

This thesis analyses the impact of China's Belt and Road Initiative on the Chinese and Portuguese markets, analyses the potential benefits and challenges of the Initiative for this market, and proposes a series of analytical strategies and determinants to take advantage of it. Written as part of the Master in International Business at the University of Minho, this thesis highlights the importance of understanding the Belt and Road Initiative for businesses. The research gives the reader insights into the benefits of the Belt and Road Initiative and the challenges and risks that need to be addressed to capitalize on this opportunity successfully.

Keywords: Belt and Road Initiative, international markets, international business, business strategies

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TERMINOLOGY

Chimerica	is a neologism and portmanteau coined by Niall Ferguson and Moritz Schularick describing the symbiotic relationship between China and the United States, with incidental reference to the legendary chimera. Though the term is mainly about economics, there is also a political element.
The Silk Road (Chinese: 絲綢之路)	was a network of Eurasian trade routes active from the second century BCE until the mid-15th century.
The Group of Two (G-2 or G2)	is a proposed informal special relationship between the People's Republic of China and the United States of America.
Pivot to Asia	Also known as "Pivot to Asia," the American military and diplomatic "pivot," or "rebalance," toward Asia became a popular buzzword after Hillary Clinton authored "America's Pacific Century" in Foreign Policy.
Chang'an	is a famous capital city in the history of the world, and it is also the ancient name of today's Xi'an City. Foreigners call it Khumdan (Khumdan).
Luoyang City	is a prefecture-level city under the jurisdiction of Henan Province of the People's Republic of China, a sub-central city of Henan Province and the Central Plains urban agglomeration, and an essential birthplace of Heluo Culture and Chinese Civilization. Thirteen orthodox dynasties and more than 20 regimes set Luoyang as the cultural, economic, and administrative center. Luoyang is also the central city of the Sui and Tang Dynasties Grand Canal and the eastern starting point of the Silk Road.
OECD	The Organization for Economic Cooperation and Development
APEC	he Asia-Pacific Economic Cooperation is an intergovernmental forum of the 21 Pacific Rim member economies that aims to promote free trade across the region. Following the success of a series of post-ministerial ASEAN meetings in the mid-1980s, APEC was launched in 1989 as a trade bloc for the rest of the world in response to the growing interdependence of Asia-Pacific economies and the emergence of regional economic integration; it aims to create new markets for agricultural products and raw materials from outside Europe. Headquartered in Singapore, APEC is recognized as the highest-ranking multilateral grouping and one of the oldest forums in the Asia-Pacific region, with significant global influence.
FDI	Foreign Direct Investment (FDI) flows record the value of cross-border transactions related to direct investment during a given period of time, usually a quarter or a year. Financial flows consist of equity transactions, reinvestment of earnings, and intercompany debt transactions.

1. INTRODUCTION

1.1. MOTIVATION

At a time when the world is experiencing a deceleration in economic growth after the era of epidemics and the Russo-Ukrainian war,, based on the important stage of China's economic transformation, and on the premise that the Belt and Road Initiative has been vigorously promoted and has become the policy programme of China's Constitution, Portugal and China, as the two endpoints of the Belt and Road Initiative, have a pivotal significance and role to play in promoting the recovery and development of the world economy. Against this background, this thesis aims to analyse the current situation, problems, and future development direction of investment cooperation between China and Portuguese-speaking countries, analyse the advantages and limitations of Sino-Portuguese investment cooperation, and explore the opportunities and challenges of Sino-Portuguese investment cooperation. The report provides a valuable reference for strengthening investment cooperation between the two markets.

1.2. BACKGROUND AND SIGNIFICANCE OF THE STUDY

Globalization of the world economy has continued into the twenty-first century. Nevertheless, the 2020 epidemic had a significant impact on it. The World Bank calculated that the global economy contracted by 5.2 percent in 2020, representing the most significant decline in per capita output since 1870. Furthermore, economic activity in developed economies contracted by 7 percent in 2020 due to severe domestic supply and demand disruptions, trade, and finance. Emerging markets and developing economies (EMDEs) contracted by 2.5 percent, marking the first overall contraction in at least 60 years. Per capita income would fall by 3.6 percent, resulting in hundreds of millions of people being pushed into extreme poverty. (World Bank Group, 2024)

The current economic situation is one of the most complexes since the Second World War. Nonetheless, an increasing number of companies are seeking to expand their operations across borders due to the significant impact of the Russian-Ukrainian conflict on the European market. Concerning China, where a three-year embargo policy has been in place, numerous companies risk breaking their financial chains. Factors encouraging domestic companies to invest in foreign markets include technological access, means of communication and transportation, economic agreements, liberalization of international trade, quality standards, innovation, and production costs. In an increasingly competitive and volatile

market, the internationalization of economic activities must be accompanied by implementing international strategies. Among these, the Belt and Road Initiative represents a promising option.

The expansion of investment cooperation between China and Portugal is occurring concurrently with the intensification of exchanges between the two countries. In the context of the "Belt and Road" initiative proposed by the Chinese government, China's investment cooperation with Portugal is poised for a more expansive trajectory. The "One Belt, One Road" initiative aspires to facilitate collaboration between the two countries in the domains of investment, infrastructure development, and cultural exchange, thereby fostering the economic growth of both nations.

1.3. RESEARCH OBJECTIVES

The objective of this study is to conduct in-depth research on China-Portugal investment cooperation through a variety of methods. This will enable an analysis of the current situation, characteristics, advantages, limitations, opportunities, and challenges. The findings will then be used to put forward corresponding development suggestions and measures, providing a reference point and a framework for the in-depth development of investment cooperation between the two countries. The significance of this study lies on.

- ☞ Deepening mutual understanding and development between China and Portugal: This study can deepen the knowledge of investment cooperation between China and Portugal, eliminate the cultural and legal differences between the two countries, and strengthen the understanding and cooperation between the two countries.
- ☞ Promoting the development of investment cooperation between China and Portugal: This study can comprehensively analyze the current situation, advantages, opportunities, and challenges of investment cooperation between China and Portugal, provide references and lessons for investment cooperation between the two countries, and promote the further development of investment cooperation between the two countries.
- ☞ This study's objective is to promote the implementation of the Belt and Road Initiative. One of the Initiative's essential elements is strengthening economic cooperation with Portuguese-speaking countries. This study can provide relevant suggestions and measures for this purpose.

This study aims to conduct comprehensive research on China-Portugal investment cooperation. This will entail an analysis of the current situation, characteristics, advantages, limitations, opportunities,

and challenges. Based on this analysis, recommendations and measures will be put forward to facilitate the further development of investment cooperation between the two countries. Therefore, this study has both practical and theoretical significance.

1.4. RESEARCH QUESTIONS

The principal subjects of this study are as follows:

- ☞ What is the current state of China-Portugal investment collaboration?
- ☞ What are the advantages and limitations of China-Portugal investment cooperation?
- ☞ What are the potential benefits and drawbacks of investment collaboration between China and Portugal?
- ☞ What recommendations exist for the development of investment cooperation between China and Portugal?

This study will address the questions through a comprehensive literature review, in-depth interviews, and other methodologies. The findings will serve as a reference for deepening investment cooperation between China and Portuguese-speaking countries, promoting the implementation of the "Belt and Road" initiative, and facilitating the sustainable development of the two economies.

1.5. RESEARCH METHODOLOGY

In order to address the aforementioned questions, we employed the following methodology: Expert interviews: Selecting experts and scholars in relevant fields should be undertaken to conduct in-depth interviews, with the objective of gaining insight into their perspectives and recommendations regarding China-Portuguese investment cooperation.

Applying the above research methods allows this study to gain a thorough and nuanced understanding of the current state of affairs, the distinctive features, the benefits, constraints, opportunities, and challenges of China's investment collaboration with Portuguese-speaking countries. This understanding is then utilized to propose recommendations and measures for the continued growth and advancement of investment cooperation between the two countries.

1.6. STRUCTURE

This thesis is divided into the following sections:

- ☞ First, in the thematic framework section, we will explain in detail what the Belt and Road Initiative is, how it relates to the Silk Road as we know it, its impact and necessity for China's economy, and its impact on Europe. In this context, we will delve into the relationship between China and Portugal.
- ☞ In a second step, we conducted interviews with relevant practitioners and experts to validate theoretical speculations and conclusions. We will present the research methodology and the questions explored.
- ☞ In the third step, we will present the results achieved.
- ☞ In the fourth step, the report is summarized.
- ☞ The final step is a summary statement of the above information.

2. THEMATIC FRAMEWORK

2.1. BELT AND ROAD, AND SILK ROAD

The concept of the Silk Road was first proposed by Baron Ferdinand von Richthofen in a five-volume atlas published in 1877. (Ridgeway Hansen. 2015). The Belt and Road Initiative (BRI) is a significant international cooperation and development strategy proposed by China in 2013 to promote economic cooperation and exchanges between Asia, Africa, and Europe. The objective of this programme is political: to achieve a decisive victory for China, which is still in the developmental stage, to construct a moderately prosperous society in all aspects, and to strive for an excellent victory for socialism with Chinese characteristics in the new era. (Xi Jinping, 2017). This initiative, which has its origins in the ancient Silk Road, has evolved significantly since its inception. Rather than being limited to a physical road, it has become an initiative and a policy, encompassing the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road". These initiatives cover more than 60 countries and regions (Song et al., 2019; Garlick, 2019).

The Silk Road was initially an overland trade route that commenced in Chang 'an and extended as far as Western Asian countries during Zhang Qian's mission to the West in the Western Han Dynasty. Subsequently, during Ban Chao's mission to the West in the Eastern Han Dynasty, the route was reopened, marking the beginning of the long-abandoned Silk Road's second period of activity. During the Eastern Han Dynasty, Zhang Qian's mission to the West extended the eastern end of the route to the Eastern Han Dynasty's capital city of Luoyang and the western end of the route to Europe (Rome), the current complete Silk Road route. This route was also designated the Overland Silk Road, in distinction from the other two transportation routes that were subsequently designated the Silk Road. The Overland Silk Road was given this designation due to the significant contribution of silk products to the goods transported westward along the route. The primary directions of the Silk Road were established during the Han Dynasty and included the South, Middle, and North Roads. The Silk Road was not a "road" but rather a network of unmarked roads through mountains and deserts. Silk was only one of the goods transported along the Silk Road.



Figure 1 China's Belt and Road Initiative: Geography, source: Asia Society (2023)

In the broadest sense, the Silk Road refers to the long-distance commercial trade and cultural exchange routes formed since ancient times across the Eurasian continent, including North and East Africa. In addition to the above routes, it also includes the Steppe Silk Road, which was formed around the 5th century AD, the Maritime Silk Road, which was formed in the early Middle Ages and played an essential role in the Song Dynasty, and the Southern Silk Road, which appeared at the same time as the Northwestern Silk Road and replaced the Northwestern Silk Road as a route of road exchange in the early Song Dynasty.



Figure 2 The Ancient Silk Road, source: China Think Tank (2019)

On the Chinese side of the modern Silk Road, the sea is a natural link for economic, trade, and cultural exchanges among countries." The 21st Century Maritime Silk Road" is a new type of trade road connecting China and the world under the changes in the global political and trade pattern. Its core value is the value of the channel and strategic security. 21st Century Maritime Silk Road is not limited to ASEAN's strategic partners. Still, instead, it is to bring the line with the point, get the line to the surface, strengthen the interaction of neighboring countries and regions, open up the connection between ASEAN, South Asia, West Asia, North Africa, Europe, and other major economic plates We should strengthen the interaction between neighboring countries and regions, open up the market chain connecting ASEAN, South Asia, West Asia, North Africa, Europe, and other major economic sectors, develop a strategic cooperative economic belt facing the South China Sea, the Pacific Ocean and the Indian Ocean, and make the integration of the economy and trade between Asia, Europe and Africa a long-term development goal. ASEAN is located at the crossroads of the Maritime Silk Road and is the primary development target of the 21st Century Maritime Silk Road strategy.

2.2. CHINESE ECONOMY

China's role in the global economy has become increasingly prominent in the 21st century, particularly following the 2008 global financial crisis. China's political status has undergone a significant transformation, and it is now widely regarded as the next superpower. Following the failure of the "Group of Two" (G2) or "Chimerica" (CHIMERICA) initiative, the United States adopted a policy of "Return to Asia-Pacific" or "Pivot to Asia" (PIVOT TO ASIA). Following the failure of the "G2" or "CHIMERICA" initiative, the policy was revised to "Return to Asia-Pacific" or "Rebalance to Asia" (Pivot to Asia) and then to "Rebalance to Asia-Pacific" (Rebalance to Asia-Pacific) in 2013. In objective terms, the rebalancing policy represents a traditional Anglo-Saxon regional strategy distinct from the Cold War containment strategy directed against the Soviet Union. However, from a security and economic perspective, China represents the primary target of the U.S. rebalance.

In terms of diplomacy and security, it is imperative to diverge from the U.S. rebalancing strategy in the Asia-Pacific and establish an independent security space and mechanism for China. Following these considerations, the Chinese government, following a gestation period, proposed the construction of the Silk Road Economic Belt, which would cover nearly 3 billion people, during President Xi Jinping's visit to Kazakhstan in early September 2013. Additionally, the construction of the 21st Century Maritime Silk Road with ASEAN countries was proposed during his visit to Indonesia in early October 2013. During his visit to Indonesia in early October 2013, he proposed the construction of the 21st Century Maritime Silk Road with ASEAN countries. At the end of October, he convened an unprecedentedly large-scale symposium on peripheral diplomacy, which defined the strategic objectives, working ideas, and implementation plans for the next decade.



Figure 3 Quarterly GDP values and annual GDP growth rate, source: BOC (2023)

The Belt and Road Initiative is an economic cooperation initiative proposed by China with the objective of promoting connectivity and economic cooperation among countries along the route. The initiative encompasses various areas, including infrastructure construction, trade cooperation, financial support, and humanistic exchanges. The "One Belt" refers to the Silk Road Economic Belt, which begins in China's western landmass and traverses Central Asia and the European part of Russia on route to Europe. In contrast, the "One Road" refers to the 21st Century Maritime Silk Road, which begins in China and traverses the South China Sea and the Indian Ocean to Europe and Africa. This initiative is regarded as one of China's principal initiatives to enhance collaboration with countries along the route in the context of globalization, "21st Century Maritime Silk Road" is a medium-term strategy implemented by China as a regional power with global influence to peacefully break through the United States "Asia-Pacific rebalancing strategy" and build a regional political and economic network covering the greater periphery as it rises to become a world power. China aims to peacefully break through the U.S. "Asia-Pacific rebalancing strategy" and build a regional political, security, and economic network covering the greater periphery from near and far, with a financial focus.

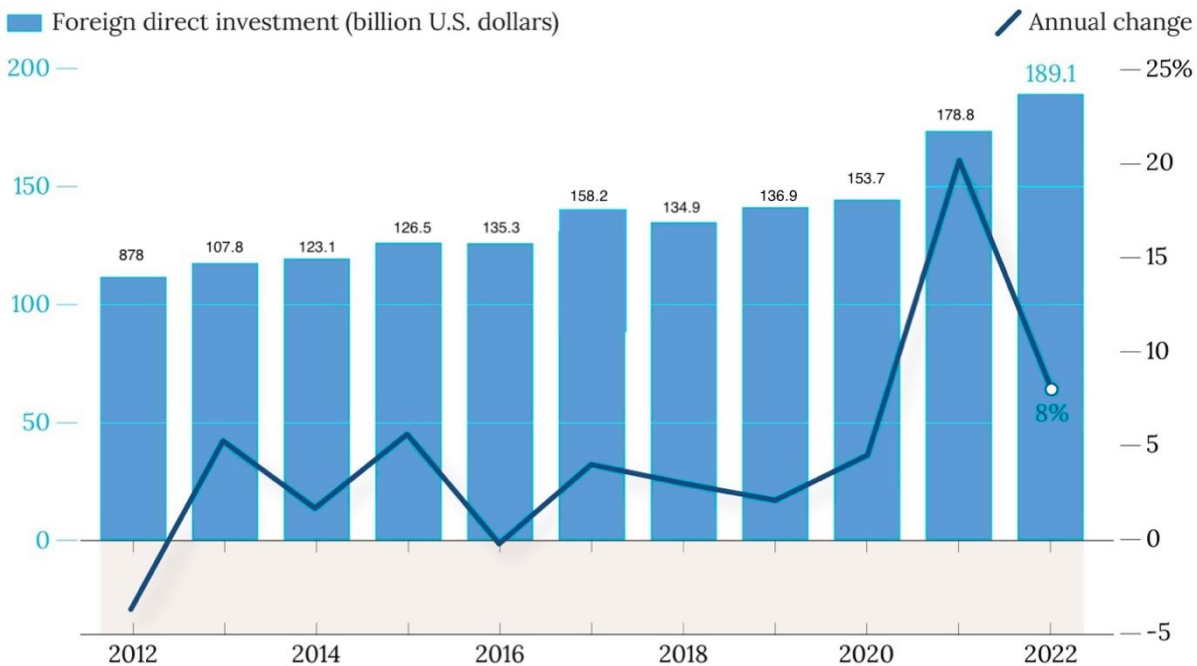


FIGURE 4 Trends in Chinese outward FDI, source: Chinese Ministry of Commerce (2023)

Despite a decline in Chinese investment in Europe following the 2015, corruption incidents and the 2020 epidemic, as well as a series of problems brought about by the Russia-Ukraine war, China appears to have maintained a considerable level of investment in the context of the global recession. Particularly after 2020, when the global economy is suffering greatly, China's outbound investment is increasing rather than decreasing, demonstrating the urgency of China's outbound investment and its confidence in the future.

Year	Flows (billions of dollars)	Global share (%)	Global Ranking
2010	688.1	4.9	5
2011	746.5	4.8	6
2012	878	6.4	3
2013	1078.4	7.8	3
2014	1231.2	9.0	3
2015	1256.7	8.5	2
2016	1353.5	12.7	2
2017	1582.9	9.9	3
2018	1349.4	14.5	2
2019	1369.1	10.4	2
2020	1537.1	20.2	1
2021	1788.2	10.5	2
2022	1890.1	10.9	2

Table 1 The global ranking of China's outward foreign direct investment (FDI) flows from 2010 to 2022

Source: Ministry of Commerce, National Bureau of Statistics, State Administration of Foreign Exchange, and China's Outward FDI Statistical Bulletin (2022)

China's outward foreign direct investment (OFDI) stock has remained stable as a share of the world. According to the Ministry of Commerce (MOFCOM) and the Foreign Exchange Bureau (FXB), China's industry-wide OFDI totaled RMB 954.17 billion (equivalent to USD 135.51 billion, up 2.9 percent year on year) in January-December 2023, up 8.2 percent year on year.

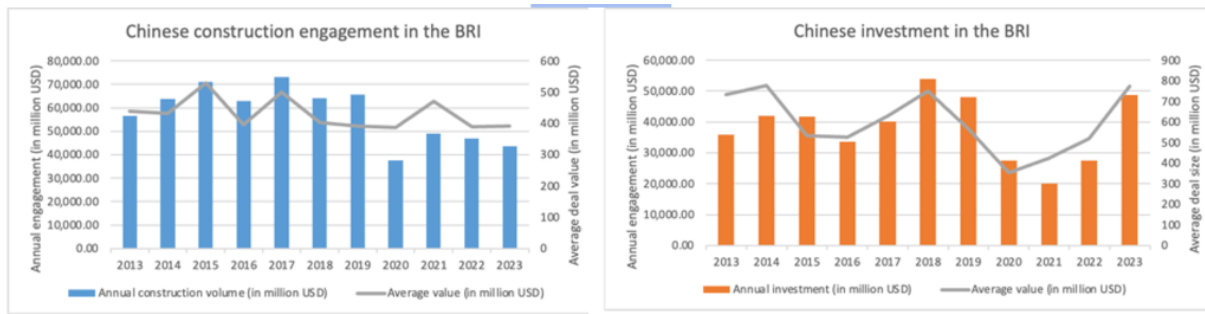


FIGURE 5 Transaction Scale of China's Participation in the "Belt and Road", 2013-2023, source: Chinese Ministry of Commerce (2023)

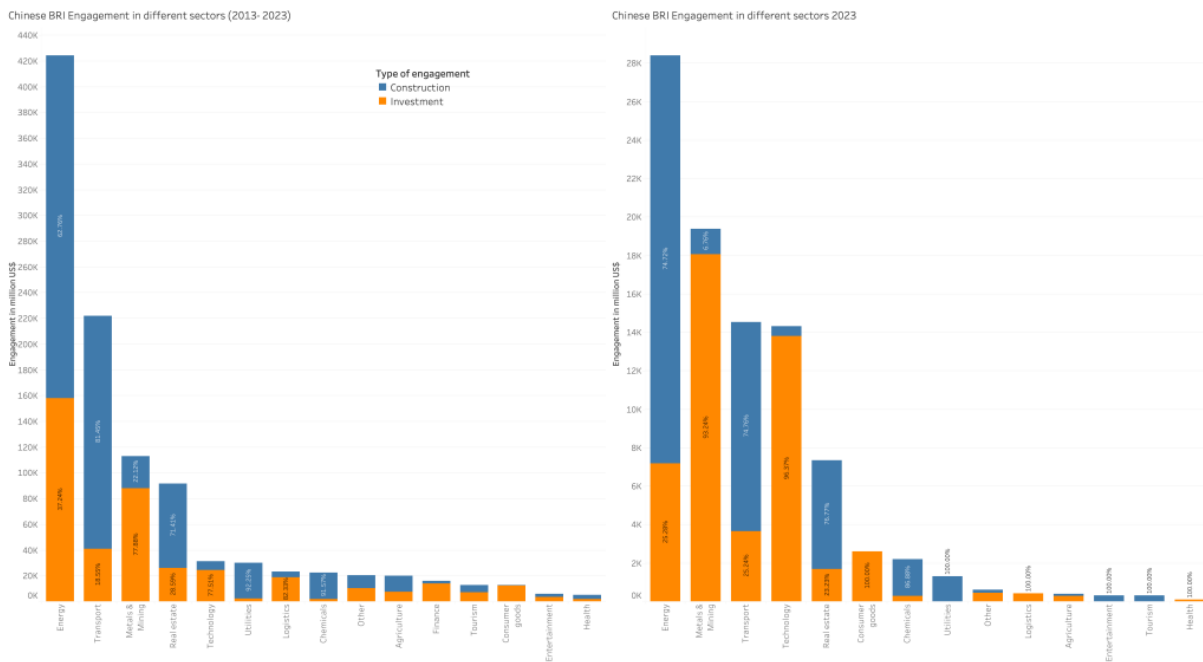
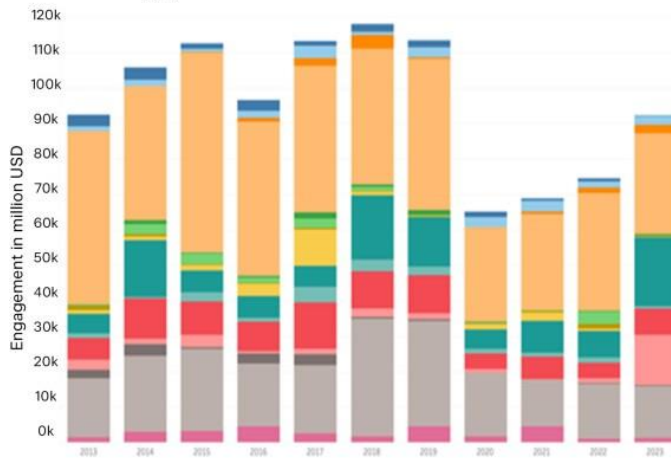


FIGURE 6 China's participation in the "Belt and Road" through construction and investment in different areas since 2013, source: Chinese Ministry of Commerce (2023)

China's economy is currently facing several challenges as it continues to grow. These include the necessity of economic restructuring, the impact of population ageing on consumption patterns, and the need for action to address environmental pollution, which has the potential to damage the country's reputation. To achieve sustainable economic development, the Chinese government must, therefore, take the necessary steps to address these challenges.

Chinese BRI engagement in different sectors since 2013



Growth/decline of BRI engagement in different sectors

	2016	2017	2018	2019	2020	2021	2022	2023
Agriculture	55%	-57%	72%	-11%	-20%	-50%	8%	-51%
Chemicals	125%	83%	-75%	229%	-5%	10%	-44%	32%
Energy	-23%	-5%	-7%	12%	-37%	1%	23%	-14%
Entertainment	400%	236%	-62%	100%	-88%	-100%		63%
Finance	-52%	71%	-64%	-81%	-22%	-44%	3,560%	-100%
Health	-13%	165%	-79%	136%	-50%	423%	91%	-92%
Logistics	144%	133%	-89%	-80%	630%	33%	-77%	-18%
Metals and Mining	-1%	1%	201%	-23%	41%	66%	-16%	158%
Real Estate	-11%	58%	-20%	2%	-59%	41%	-31%	70%
Technology	-81%	146%	45%	-29%	-37%	88%	793%	1,046%
Transport	-24%	9%	71%	-11%	-40%	-27%	18%	-6%
Tourism	820%	6%	-85%	-11%	-100%			7%
Utilities	41%	-44%	-31%	160%	-43%	169%	-78%	27%
Other	-54%	230%	-24%	-22%	-49%	-7%	36%	-61%
Consumer goods	800%	90%	72%	-89%	-100%		147%	60%

Sector share of BRI engagement since 2013

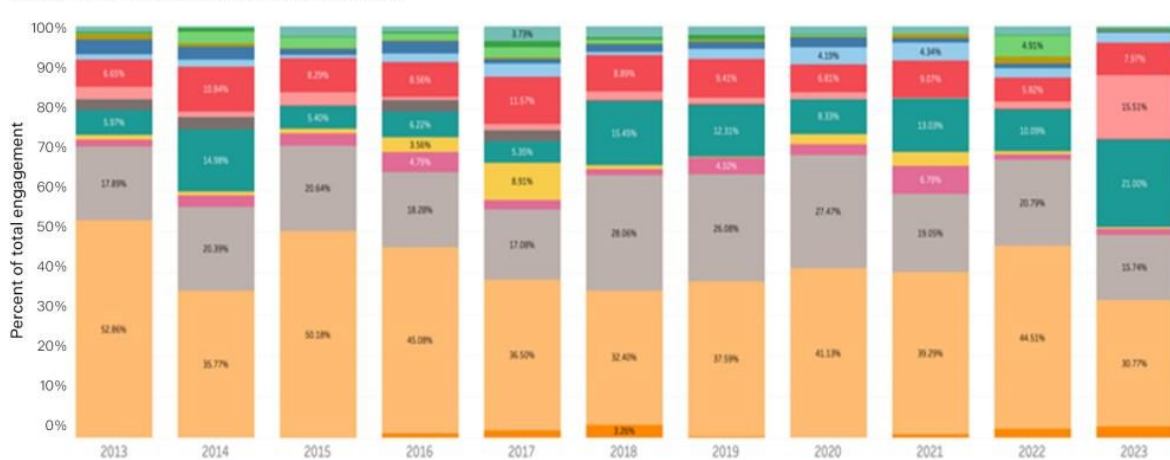


FIGURE 7 Belt and Road Investments by Industry, 2013-2023,source:Chinese Ministry of Commerce (2023)

The Confidence Board, the world's largest business federation, has forecast that China's GDP growth will slow to 4.1% in 2024, down from an estimated 5.2% in 2023. The International Monetary Fund has similarly predicted that China's economic growth will slow to 4.6% in 2024, from an expected 5.4%. Four main reasons have been identified for China's continued economic difficulties in 2024, which could persist for years to come.

☞ Suppressed demand will fall

China's anticipated consumer boom never materialised. The turbulence in the real estate sector (as evidenced by the presence of vast tracts of unfinished apartment buildings and struggling developers) weakened consumers' desire to spend, and households opted to save. On Sunday, 31 December, the National Bureau of Statistics of the Communist Party of China (NBS) reported that a similar index of

activity in China's service sector remained unchanged at 49.3. This suggests that consumers remain cautious about spending, reflecting concerns about the job and real estate markets.

☞ The real estate downturn is not abating

Efforts by the authorities to stabilise the real estate sector have not had any meaningful impact this year, as major Chinese real estate developers have defaulted or declared bankruptcy. The recession is structural and potentially permanent. Chinese households have lost confidence in real estate as a channel for wealth accumulation. It is challenging to forecast the timing of sector stabilization. Once it occurs, the sector will no longer serve as a primary driver of economic growth, as it has in previous decades.

☞ The demand for Chinese products from abroad is set to decline.

China will not be able to export its way out of the aggregate demand problem caused by the real estate slump. The official manufacturing purchasing managers' index fell to 49 in December from 49.4 in November, the Communist Party's National Bureau of Statistics said on Sunday. This marks the third consecutive month in which the index has fallen below 50, the mark that distinguishes expansion in economic activity.

The result fell short of expectations, with the Wall Street Journal poll of economists forecasting a figure of 49.8. Domestic and foreign new orders contracted further, and the index of companies' willingness to hire new workers fell to 47.9 from 48.1 in November. This suggests that China's factory sector is experiencing the effects of the global economic slowdown and sluggish domestic spending.

☞ No large-scale stimulus, only incremental measures

Given the structural problems that have become deeply embedded in the Chinese economy, any reform or large-scale stimulus programme could potentially lead to significant economic difficulties.

In addition to the short-term difficulties currently facing the Chinese economy, it is also important to consider the long-term challenges that it is likely to face in the future. These include potential conflicts with the United States and its allies over trade and national security, as well as the impact of an ageing population on the economy.

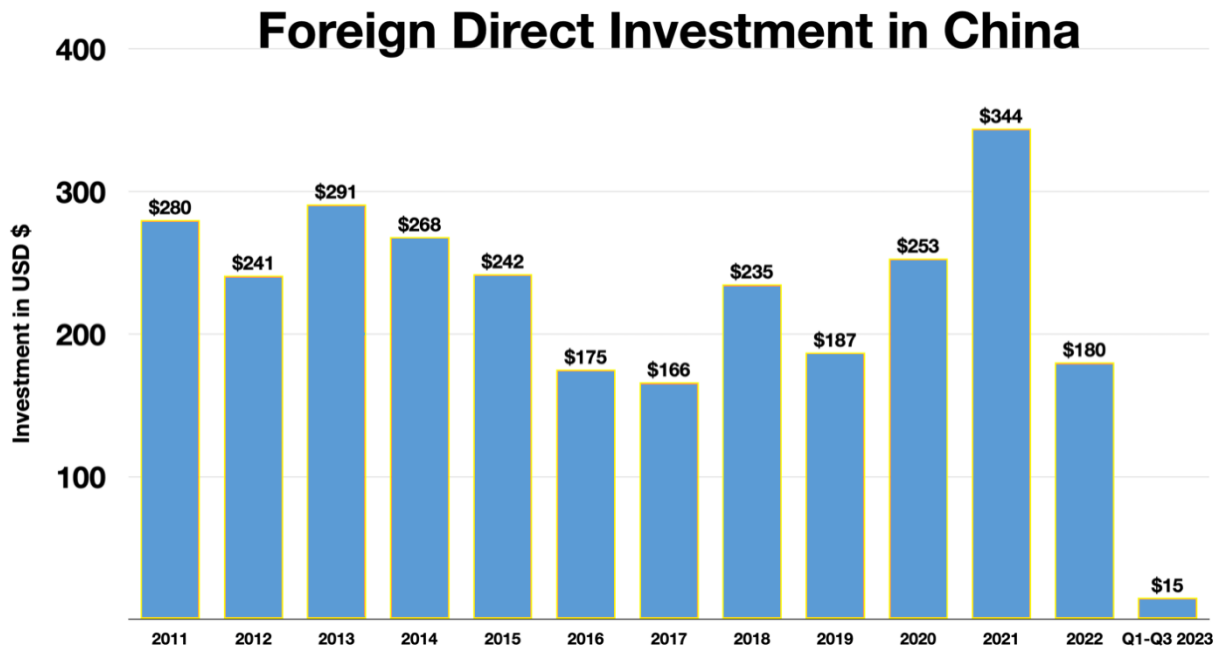


FIGURE 8 FDI in China, source: China's state administration of foreign exchange (2023)

With the epidemic only beginning to phase out of the lockdown status on January 1, 2023, China's economy has received a huge blow. According to the annual budget reports of China's local governments, Chinese provinces spent at least 352 billion yuan in 2022 on preventing and controlling neo-coronavirus pneumonia. (Deutsche Welle Chinese, 2023), This is a massive burden for China. China's economy is so large that it has two specific manifestations.

One is that due to its large population, the production and sale of daily necessities are self-circulating, making the impact of prices on the economy relatively weak. The second is that because the economy is too large, its market feedback has a considerable lag, 2024, that is, more than a year after the end of the epidemic, China's real estate financial markets before the occurrence of a large-scale recession, foreign direct investment appeared to be significantly reduced, which indicates that the market for the lack of confidence in the economy, such a recession is quite fatal because although China's leading innovation indicators to enter the world's forefront, has become a "science and technology" with global influence, and has become the most influential.

Although China's major innovation indicators are among the highest in the world, and it has become a "science and technology powerhouse" with global influence, entrepreneurs, experts, and scholars are quite sober and rational about the challenges they face. "There is still a big gap between our innovation capacity and developed countries." Fang Jin, a researcher at the Development Research

Center of the State Council, said. (2018) Before the epidemic, China was politically demanding that its domestic industries undergo a complete transformation from Made in China to Created in China, and the arrival of the epidemic forced this process to halt. To come to a halt. As of 2024, China's manufacturing purchasing managers' index (PMI), non-manufacturing business activity index, and composite PMI output index stood at 50.8%, 53.0%, and 52.7%, respectively, in March, up 1.7, 1.6 and 1.8 percentage points from the previous month, with the three major indices all in the expansion zone.

"Investors are becoming more optimistic about the world's second-largest economy after China's manufacturing purchasing managers' index hit a one-year high." Bloomberg News' website recently published a report that said. "Better than expected" is the recent consensus of many domestic and overseas media on China's economy. (Xinhua, 2024), China's economy urgently needs strong support from the external market to maintain its economic chain, and it needs to continue that policy, so implementing the Belt and Road policy is imminent for the current financial situation in China.

The current state of China's economy can be analyzed from several perspectives:

- ☞ Economic Growth: China's economic growth has been a subject of global interest. Despite a slowdown in recent years, the Chinese economy has maintained relatively stable growth. The government has adopted a range of policy measures to promote economic growth, including expanding domestic demand, promoting scientific and technological innovation, and deepening reform and opening up.
- ☞ Consumer Market: China has emerged as one of the most significant consumer markets globally. The accelerated urbanization and expansion of the middle class have led to a surge in consumer demand, which has contributed to the resilience and growth of the domestic market.
- ☞ Manufacturing and Services: The manufacturing sector has consistently constituted a pivotal component of China's economy. However, in recent years, the Chinese government has also been pursuing a structural transformation strategy to strengthen the development of services and high-tech industries gradually. This approach is designed to enhance the quality and competitiveness of the economy.
- ☞ Financial System: China's economic system has become a significant global financial market as it develops and liberalizes. The government is implementing measures to reinforce financial regulation, prevent systemic risks, and facilitate RMB internationalization.

- External trade: As China is the world's largest exporter and second-largest importer, external trade significantly impacts the Chinese economy. Considering the changing international trade environment and the reorganization of global supply chains, China is adjusting its trade policies and strategies.

2.3. CHINESE ECONOMY AND THE BELT AND ROAD

To summarize, the main background of China's construction of the 21st Century Maritime Silk Road is that China has a relatively large problem with its production and consumption structure, which can no longer be absorbed internally, and there is a strong will on the part of the authorities to develop the economy. The overcapacity is mainly concentrated in the traditional manufacturing industry, which consumes a lot of energy and produces high emissions. This sector once contributed to China's economic accumulation and development, but national and world conditions have changed significantly. In 2012, for example, the capacity utilization rates of China's iron and steel, cement, electrolytic aluminum, flat glass, and ships were 72%, 73.7%, 71.9%, 73.1%, and 75%, respectively, at the end of that year, leading to a sharp decline in industry profits, debt-ridden enterprises, and complicated operations. In the long run, serious problems such as the increase in non-performing assets of banks, the deterioration of the ecological environment, and the closure of enterprises are bound to occur, which will not only delay the transformation of the mode of economic development and the improvement of people's livelihood but will even affect the overall situation of social stability.

And the impact of the Belt and Road Initiative goes far beyond the domestic arena, as it has also had a far-reaching impact from the perspective of the global economy. Several studies have shown that the Belt and Road Initiative has had a positive effect on infrastructure construction, production capacity cooperation, and trade and investment in countries along the route (Garlick, 2019).

At the same time, the Belt and Road Initiative provides new perspectives and practices for global economic governance (Lei, 2018). Among these impacts, we must mention the promotion of cooperation between China and Portuguese-speaking countries in Africa, just as the Portuguese expeditions of the Age of Sail impacted the Portuguese-speaking countries along the route. In terms of cooperation between the Belt and Road Initiative and the participating countries, many studies have explored China's cooperation with Africa, Central Asia, and Central and Eastern Europe (Zhang, 2021), China's Central and Eastern Europe " (Cura, 2017). In addition to the economic dimension, we must also consider the

cultural exchanges that result from enhanced economic cooperation and its role in promoting sustainable development, globalization, and regional stability.

These studies emphasize the principle of mutual benefit and win-win situations and how to achieve sustainable development and regional stability (Arase & De Medeiros Carvalho, 2022). Although the 'Belt and Road Initiative' has achieved concrete results, it faces many challenges and dilemmas. However, has the 'Belt and Road' policy only brought benefits to the world? It is essential to acknowledge that any policy initiative has two sides. Some scholars have highlighted the potential political risks, debt risks, and environmental and social impacts associated with the 'Belt and Road' initiative (Li & Mo, 2023). Furthermore, there have been concerns raised by countries and regions regarding the geopolitical, economic, social, and cultural aspects of the Belt and Road Initiative, including competition and transparency (Cheshmehzangi & Chen, 2021).

According to the Ministry of Commerce and the Foreign Exchange Bureau, from January to November 2023, China's industry-wide outward foreign direct investment amounted to 954.17 billion yuan, an increase of 8.2% year-on-year (equivalent to 135.51 billion U.S. dollars, a year-on-year increase of 2.9%). Among them, China's domestic investors made non-financial direct investments in 7,149 overseas enterprises in 154 countries and regions around the world, with a cumulative investment of 814.54 billion yuan, an increase of 18.4% year-on-year (equivalent to 115.68 billion U.S. dollars, an increase of 12.7% year-on-year).

Everything exists with its pros and cons. No form of development comes without a price, and in this regard, many research perspectives confirm this conjecture about the future direction of the Belt and Road Initiative; scholars have put forward different perspectives. Some studies argue that the Belt and Road Initiative should adhere to the principles of openness, inclusiveness, cooperation, and sharing and continue to be optimized and improved (Amighini, 2021). In addition, the Belt and Road Initiative should strengthen its interface with other international development strategies.

In addition to linkages with countries and regions, the 'Belt and Road' Initiative also pays equal attention to political collectives such as customs unions and international grand coalitions because purely economic or cultural exchanges are thin, not long-term, and not sustainable, and only by reaching a consensus on all fronts can they develop into sustained cooperation that will lead to prosperity and affluence". The interface between the Belt and Road Initiative and other international development strategies, such as the EU connectivity strategy and Agenda 2063 for Africa, should be strengthened to

achieve co-development and synergistic innovation in the global governance system (Zhang et al., 2023). Just as the concept of the Silk Road has existed for thousands of years, the current Belt and Road policy is also focused on the future, as the Silk Road would not have developed into what it is now if it had only focused on current interests. In future development, the Belt and Road Initiative should also focus on Sustainable Development Goals (SDGs), environmental protection, and social responsibility to achieve more comprehensive and balanced growth (Schneider, 2020).

As mentioned earlier, initiatives focusing only on immediate benefits are bound to be unsustainable, so what can be done to achieve long-term economic development? The answer is inevitably solidarity and exchange, and only when it has a meaning beyond interests can the pact be observed and developed in the long term, which is another dimension of the Belt and Road Initiative - cultural exchanges and mutual understanding: the Belt and Road Initiative aims to promote trade exchanges and mutual understanding among civilizations through enhanced cooperation in the fields of culture, education, science and technology, and tourism, to promote cultural diversity and the expected human societal progress (Li & Taube, 2019).

Also not to be ignored is the issue of security; after all, only with basic security can there be subsequent development, which is also the consideration of the Belt and Road policy for this aspect of regional security cooperation: the Belt and Road Initiative is concerned about the security of the countries along the route, and emphasizes the maintenance of regional peace and stability through the enhancement of political dialogues, the construction of security mechanisms, and the expansion of law enforcement cooperation (Lanteigne, 2019).

In addition to the general development direction, we must consider several up-to-date, new, and humanized directions.

- ☞ Poverty and development: the Belt and Road Initiative is committed to supporting the economic and social development of the countries along the route, especially the poor areas, and helping the countries along the path to realizing sustainable development through cooperation in infrastructure construction, industrial upgrading, and human resources training (Zhang, 2023)
- ☞ Financial Innovation and Cooperation: Financial cooperation and innovation are essential to support the implementation of the Belt and Road Initiative. Through the collaboration of multilateral, bilateral, and regional financial institutions, investment and financing channels will be broadened, and the development and integration of financial markets will be promoted (Maxa, 2021).

- ☞ Digital Silk Road: With the rapid development of science and technology, the digital economy plays an increasingly important role in the Belt and Road Initiative. The construction and development of the Digital Silk Road are being promoted through measures such as building information infrastructure, developing cross-border e-commerce, and strengthening cybersecurity cooperation (Carrai & Defraigne, 2020).
- ☞ Green Belt and Road: Environmental protection and green development are crucial to the Belt and Road Initiative. By strengthening environmental protection policy docking, promoting green technologies, and implementing ecological protection projects, we will build a sustainable Green Silk Road (Arduino & Gong, 2018).

2.4. IMPACT OF THE BELT AND ROAD INITIATIVE ON EUROPE

What are the expectations of such an initiative for the global situation? Many scholars have conducted in-depth studies since the proposed Belt and Road Initiative. Some studies have pointed out from the perspective of the development context that the "Belt and Road" initiative aims to promote connectivity between China and the countries along the route, regional economic integration, and the reform of the global economic governance system (Garlick, 2019).

Concerning the Belt and Road Initiative's goals and strategies, scholars generally agree that it consists of five main objectives: policy communication, facility connectivity, smooth trade, financial integration, and humanistic exchanges (De Cremer et al., 2020). In achieving these goals, the initiative emphasizes mutual benefit, co-development, and inclusive growth (Chan et al., 2020).

In countries and regions outside of China, there is a clear difference between the research of experts and scholars and the direction and conclusions of the seminar in China. One Belt, One Road (OBOR) is a major international cooperation initiative proposed by China to promote economic growth and people's well-being in the countries and regions along the route by advancing connectivity and joint development.

First, some scholars have explored the impact and potential development of the Belt and Road Initiative on Portugal and the opportunities and challenges involved. (Van Noort, 2021). The study examines the impact of the Belt and Road Initiative on Portugal and explores the opportunities and challenges, particularly in terms of infrastructure, investment, and trade. It also examines the impact and

potential of the Belt and Road Initiative on Portuguese-speaking countries regarding the Sino-Portuguese economy, investment, and culture.

Second, some studies have explored the impact of the Belt and Road Initiative on trade and investment relations between Portuguese-speaking countries. (Ujwary-Gil et al., 2021). Explores trade and investment cooperation between China and Portuguese-speaking countries and analyzes the current status, problems, and prospects of such cooperation. (Ntousas & Minas, 2022). The impact of the Belt and Road Initiative on trade and investment cooperation between China and Portuguese-speaking countries is examined, and the opportunities and challenges involved are discussed.

In addition, some scholars have explored the impact of the Belt and Road Initiative on cultural exchanges and educational cooperation among Portuguese-speaking countries. (Garlick, 2019). Examines the impact of the Belt and Road Initiative on cultural exchanges and educational cooperation between Portugal and Brazil, analyzing opportunities and challenges. (Ujwary-Gil et al., 2021). The implications of the Belt and Road Initiative for Europe are explored, especially its role and challenges in the context of the Sino-European relations, the European integration process, and Portugal's place in it.

In conclusion, the research literature on market development in Portuguese-speaking countries along the Belt and Road mainly concerns infrastructure, investment and trade, cultural exchanges, and educational cooperation. These studies are crucial to the in-depth understanding of the multidimensional and multi-level impact of the Belt and Road initiative and have specific reference and borrowing value for promoting Sino-Portuguese economic, trade, and cultural cooperation.

China and Europe are located at the two ends of the Silk Road Economic Belt, with solid industrial complementarities, and are natural partners. In 2019, the frequent exchange of high-level visits between China and Europe and the further strengthening of their political mutual trust and cooperation mechanisms will lay a solid foundation for economic and trade cooperation between the two countries. President Xi Jinping visited Italy, Monaco, France and Portugal. Meanwhile, Premier Li Keqiang traveled to Europe to host the China-Europe Leaders' Meeting and the Leaders' Meeting of Central and Eastern Europe and visited Croatia. The visits to China by the leaders of Germany, France, and other European countries have pointed out the direction for the development of China-EU economic and trade relations and provided a strong impetus for the development of China-EU economic and trade relations. During the high-level visit, China hosted the China-France Economic Summit, the China-Germany Economic Advisory Council Symposium, the China-Italy Business Council Meeting, the China-Central and Eastern Europe

Economic and Trade Forum, and the establishment of the European Union-China Chamber of Commerce, etc. China signed several cooperation documents with the relevant departments of several countries to strengthen e-commerce cooperation and promote the high-quality development of bilateral investment, which supported the successful outcome of the high-level exchange visits. This will strongly support the success of the high-level exchange visits and new opportunities for deepening China-EU economic and trade cooperation.

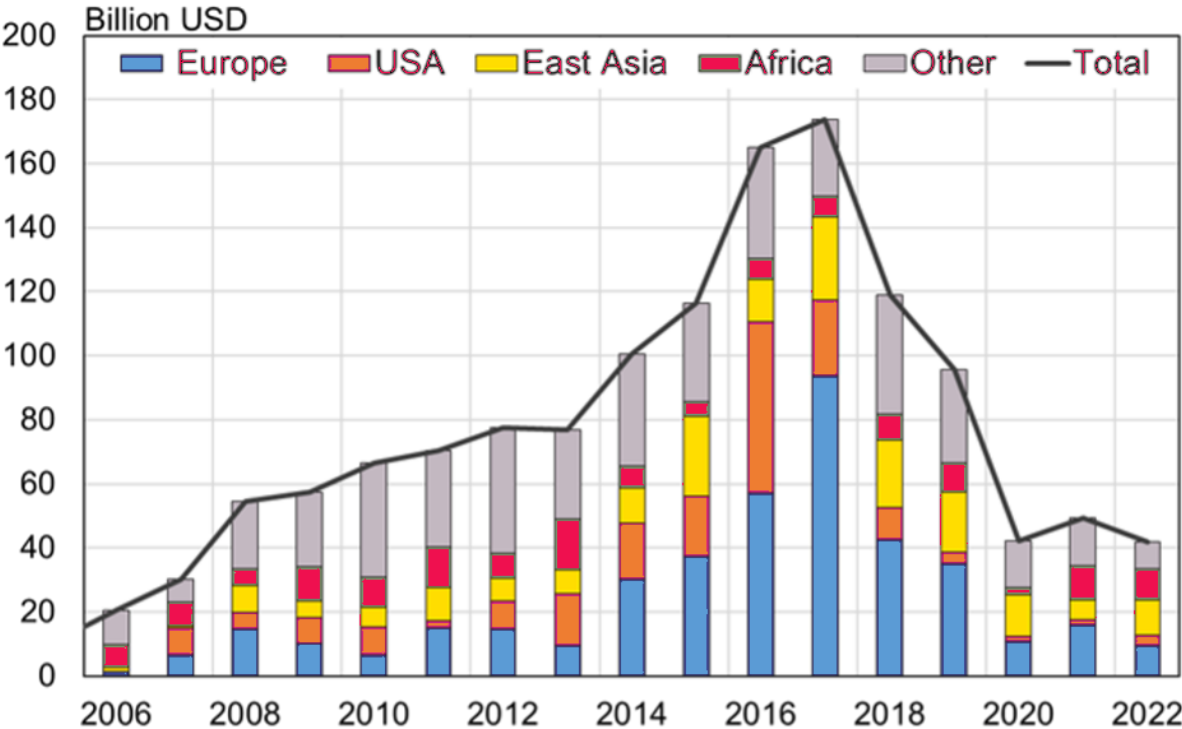


FIGURE 9 China ‘s foreign direct investment, source: Ministry of Commerce (2023)

In 2019, in accordance with President Xi Jinping's address at the Second Belt and Road Forum for International Cooperation, China will adhere to the principle of "common cause, common construction, and sharing" and pursue robust investment collaboration with countries along the Belt and Road. In accordance with the principle of "common cause, common construction, and common sharing," we will pursue the robust advancement of investment cooperation with countries situated along the "Belt and Road." Furthermore, we will persist in the continuous improvement of the aforementioned cooperation mechanism, and will endeavour to expand the scale of direct investment and contracted project cooperation. The scale of direct investment and contract project cooperation has continued to develop. According to data from the Ministry of Commerce, the National Bureau of Statistics, and the State

Administration of Foreign Exchange, China's direct investment in countries along the Belt and Road amounted to 18.69 billion U.S. dollars that year, representing a 4.5% increase over the previous year and accounting for 13.7% of the total outward foreign direct investment for the year. This ratio represents a 1.2% increase over the previous year. The new contract value of outsourcing projects along the "Belt and Road" route amounted to USD 154.89 billion, accounting for 59.5% of the new contract value of outsourcing projects in the same period, an increase of 23.1% year-on-year. Infrastructure construction, such as railroads and airports, is often complex. China's "One Belt, One Road" policy is to connect an extensive transportation network between Europe and China. Once all of these projects are implemented, transportation dynamics from Europe to China will be significantly enhanced. This will increase the speed of transportation, thus increasing the speed of movement of markets, such as fruits and seafood, which are intolerant of transportation. These markets will be able to go farther when these projects are realised. Upon completion of these projects, they will facilitate the development of larger markets. Given that Portugal has been an important port in Europe since ancient times, these unrealised projects will link the economies and markets of the two countries with considerable economic and commercial power, leading to mutual prosperity and flourishing.

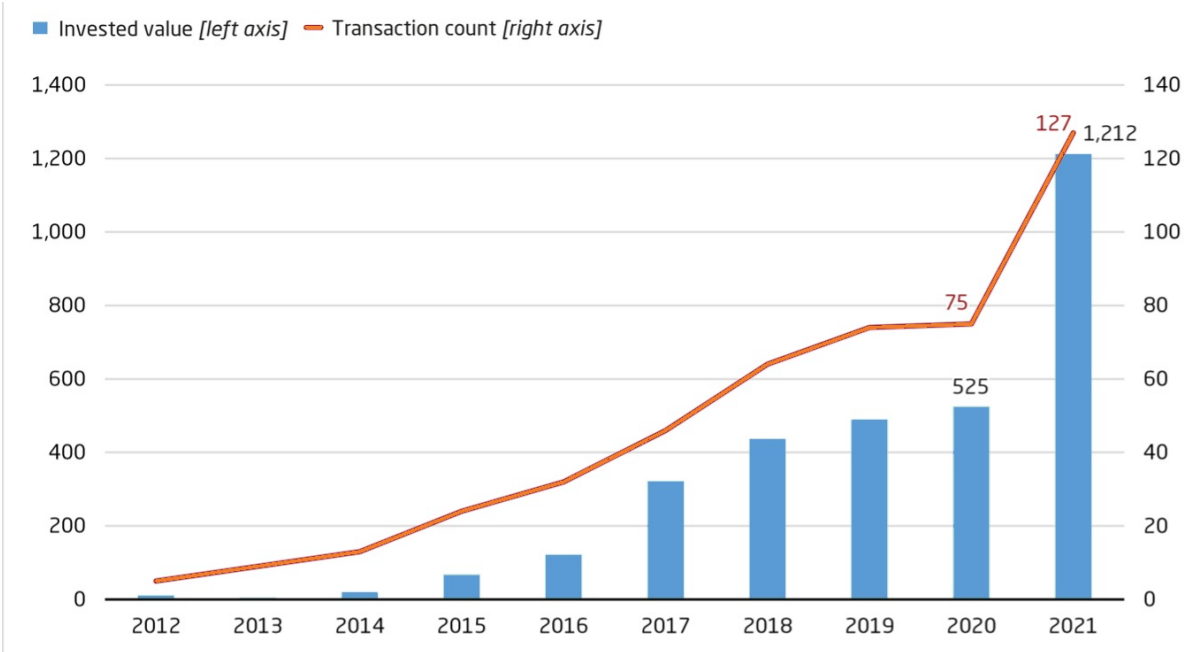


FIGURE 10 Chinese FDI in EU, source: China briefing (2022)

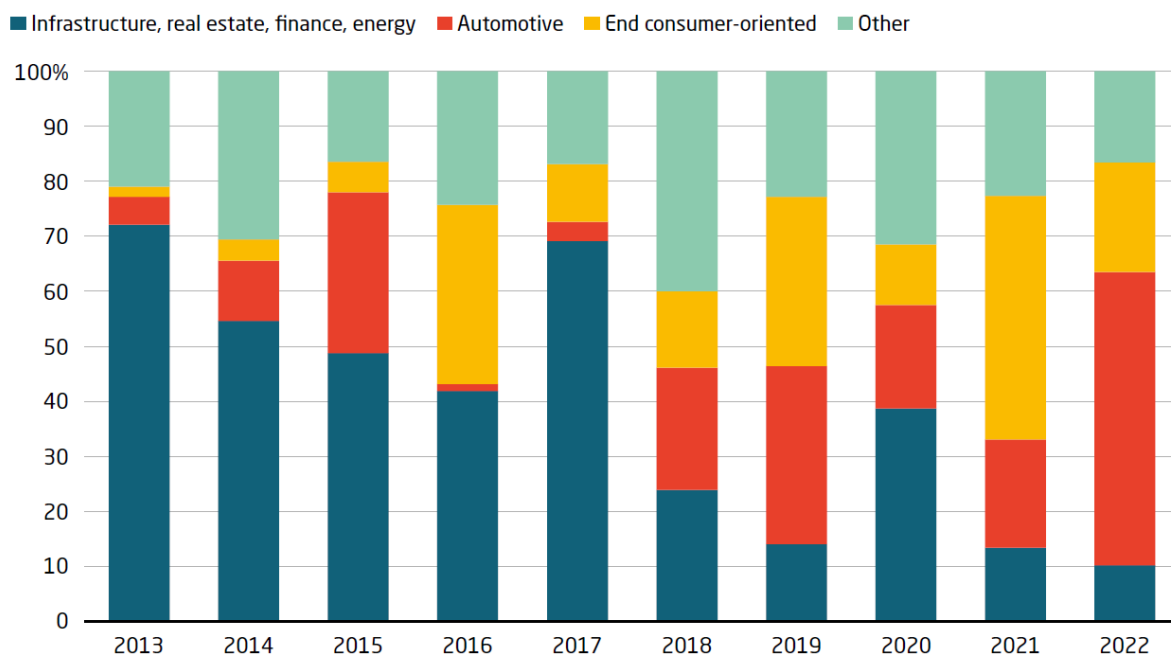
Sector	2018 (Billions of dollars)	2019 (Billions of dollars)	Year-on-year (%)	2018 (%)	2019 (%)
Add up the total	1430.4	1369.1	-4.3	100	100
Leasing and business services	507.8	418.8	-17.5	35.5	30.6
Manufacturing industries	191.1	202.4	5.9	13.4	14.8
Financial sector	217.2	199.5	-8.1	15.2	14.6
Wholesale and retail trade	122.4	64.8	59.1	8.6	14.2
Information transmission, software, and information technology services	56.3	51.3	-2.7	3.9	4.0
Mining industry	46.3	38.8	10.8	3.2	3.7
Transportation, storage and postal services	51.6	38.7	-24.8	3.6	2.8
Electricity, heat, gas, and water production and supply industry	47.0	37.8	-17.7	3.3	2.8
Building industry	36.2	34.3	4.5	2.5	2.8
Scientific research and technical services	38.0	34.2	-9.7	2.7	2.5
Real estate industry	30.7		11.5	2.1	2.5

Table 2 Comparison of China's Outward FDI by Industry, 2018-2019, Source: Ministry of Commerce (2020)

In June 2020, the 22nd China-EU Leaders' Meeting was held via video conference. Premier Li Keqiang asserted that China and Europe are comprehensive strategic partners, with cooperation outweighing competition and consensus outweighing differences. China is prepared to collaborate with the European side to facilitate the positive outcomes of this meeting, reinforce China-EU collaboration in combating the epidemic and economic recovery, and expand practical cooperation in the domains of economy, trade and investment, connectivity, climate change, science, technology, and innovation. Furthermore, it is China's intention to reinforce policy coordination. In addressing the most pressing issues on the international and regional agendas, the two sides will collaborate to safeguard multilateralism, address global challenges, and facilitate the reinvigoration of China-EU relations in the post-epidemic era. This will contribute to the maintenance of world peace and stability and the promotion of global economic recovery. Furthermore, it will maintain world peace and stability and promote global economic recovery.

Shift towards automotive and consumer-oriented sectors

Investment in percent share



End consumer-oriented includes: (1) Consumer products and services and (2) Entertainment, media and education.
 Infrastructure, real estate, finance and energy includes: (1) Transport, construction and infrastructure, (2) Real estate and hospitality, (3) Financial and business services and (4) Energy.
 Other includes: (1) ICT, (2) Machinery, (3) Agriculture and food, (4) Basic materials, (5) Health, pharma and biotech, (6) Electronics and (7) Aviation.

FIGURE 11 Chinese FDI in EU (By Industry) ,source: MERICS(2022)

The leading technology, extensive experience, and open attitude of Chinese enterprises in related fields will assist the EU in transforming and upgrading traditional industries. For instance, Ctrip has established partnerships with local European tourism bureaus to provide travel information to foreign tourists through digital platforms, thereby assisting hotels and airlines in applying digital tools to analyze industry trends. This has contributed significantly to the recovery of the European tourism industry. We will investigate the potential for European third-party market collaboration, explore the possibility of cooperation in emerging industries, promote the sustainable economic and social development of China and Europe, and fully exploit the supporting role of finance in economic recovery. Technology is a key growth area, with more than \$14.3 billion invested in collaborations with countries along the Belt and Road, focusing on batteries, auto parts, electric vehicle manufacturing and telecommunications. Notable collaborations include investment in electric vehicles, and outside the Belt and Road, BYD has established an automotive manufacturing plant in Brazil. Another strategically important growth area is China's investment in the metals and mining sector, which reached \$19.4 billion. This represents a 158 per cent increase compared to 2022, and the highest level since 2013. Minerals and metals are particularly

important for the green transition (e.g. lithium) and electric vehicle batteries. China already has a significant share of global mining resources (e.g. more than 80 per cent of global graphite resources) and greater control over materials processing (for lithium, nickel, cobalt and graphite, China owns more than 50 per cent of global capacity).

In conclusion, the global impact of the Belt and Road Initiative is believed to generate far-reaching expectations on several fronts. It is evident from scholarly research that the Initiative aims to promote economic growth and the well-being of people in the countries and regions along the route by fostering connectivity and co-development. This goal has been emphasised in countries and areas other than China, especially in Portuguese-speaking countries such as Portugal. Studies have indicated that the impact of the Belt and Road Initiative on these countries is primarily related to infrastructure development, investment and trade, cultural exchanges, and educational cooperation.

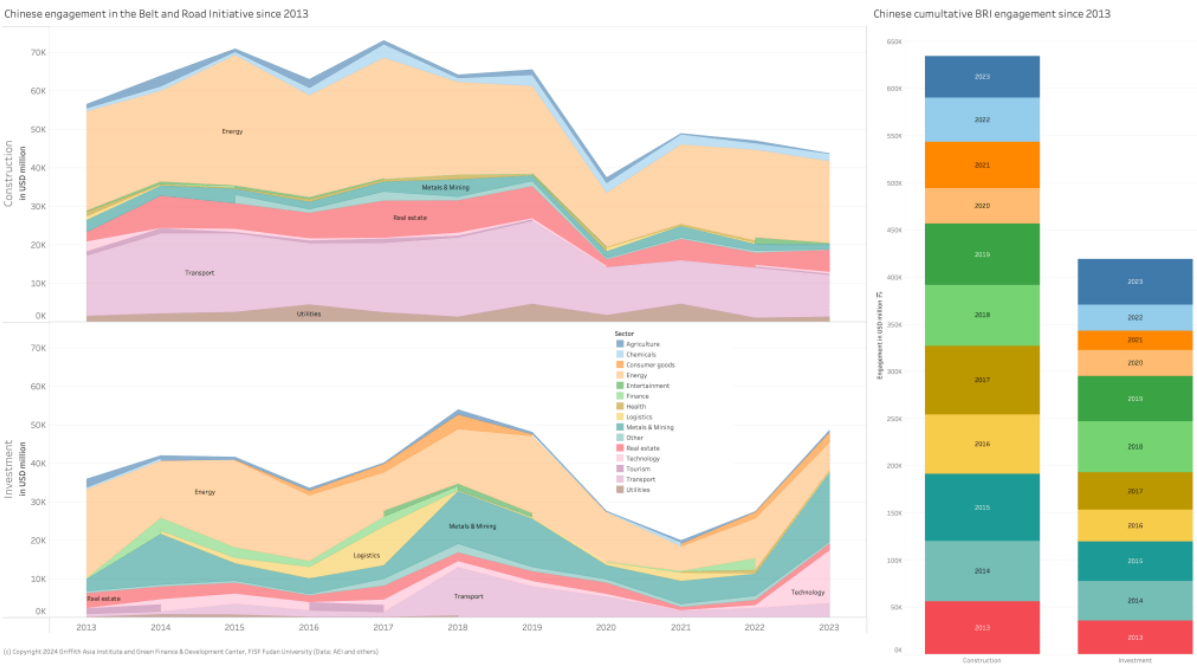


FIGURE 12 Participation and investment in China's Belt and Road construction, 2013-2023, source: Griffith Asia Institute (2023)

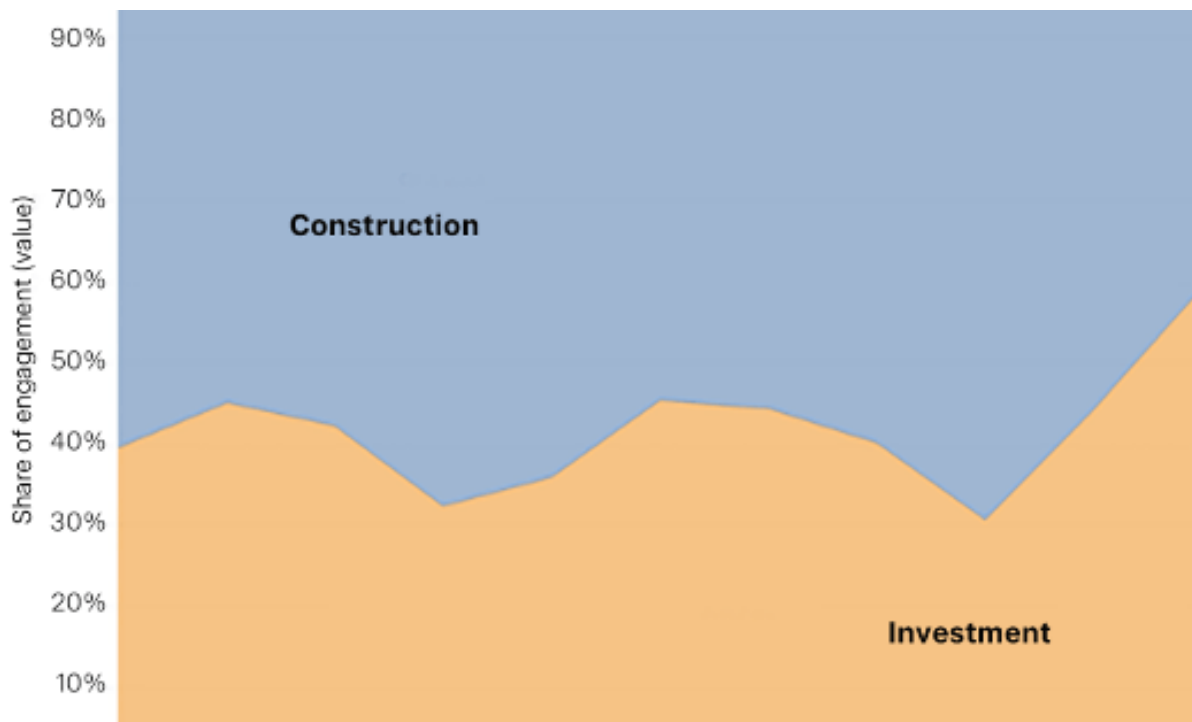


FIGURE 13 Belt and Road Construction and Investment Participation Ratio, 2013-2023, source: American Enterprise Institute (2023)

Such global collaboration facilitates regional and global economic integration and provides a new impetus for reforming the global governance system. With the frequent exchange of high-level visits between China and Europe and the strengthening of bilateral cooperation mechanisms, the Belt and Road Initiative provides new opportunities for developing China-EU economic and trade relations. In the current global context, the Belt and Road Initiative is anticipated to maintain world peace and stability, promote global economic recovery, advance multilateralism, and collectively respond to global challenges.

3.CHINA’S RELATIONSHIP WITH PORTUGAL

3.1. HISTORIES

Driven by D. Henrique (also known as "Henrique the Navigator"), Portuguese sailing ships traveled across the oceans utilizing the best scientific and practical knowledge. In several world voyages, they sailed to the depths of the continents of Africa, the Far East, and South America. They conquered lands, amassed wealth, and brought things never seen before to Europe: in 1498, Vasco da Gama discovered the sea route to India; in 1500, Pedro Álvares Cabral reached Brazil. The Portuguese also reached Oman (1508), Malaya (1511), East Timor (1512), China (1513), and Japan (1543), and between

1519 and 1522 the Portuguese Fernand de Magalhães planned and commanded the first circumnavigation of the globe. Perhaps this was the beginning of globalization.

In 1249, Alfonso III conquered the Algarve, thus completing the first unification of Portugal in Europe. With the war's end against the Muslims, the kings began to organize their kingdoms and pursue economic development. In addition to agriculture, commerce, especially maritime trade, began to take an important place then. This was because Portugal had a vast seaside area, and the ocean was a necessary route for those engaged in maritime trade. Therefore, from the beginning of Portugal's history, the sea has been crucial to Portugal, influencing the course of its history, culture, and life.

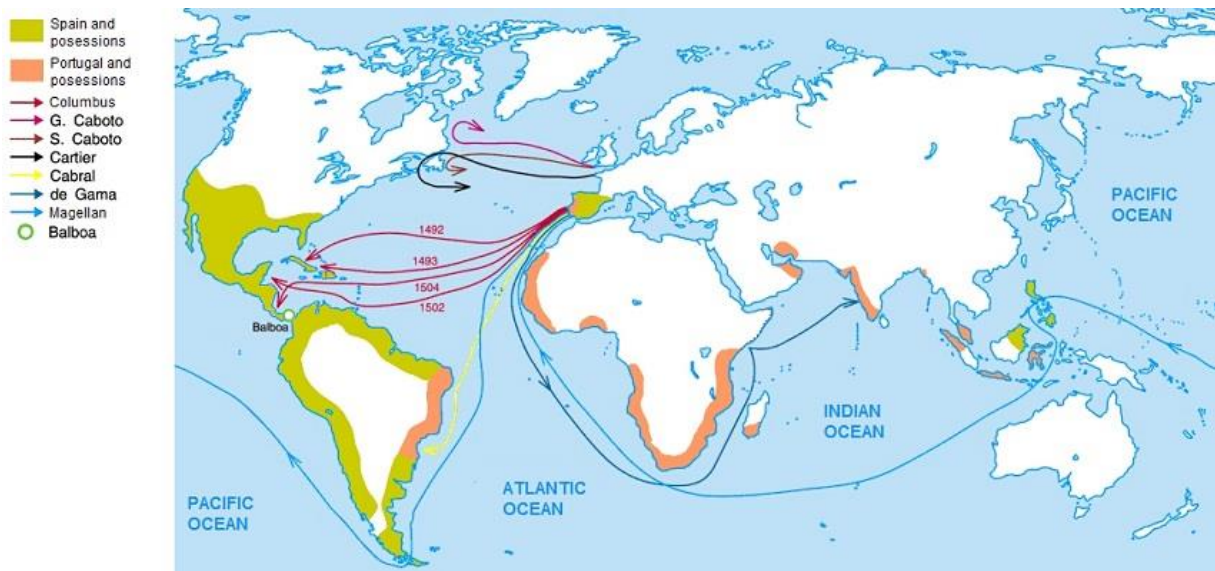


FIGURE 14 The Age of Geographical Discovery, source: China Pescadores Network

The Maritime Silk Road, a sea route for transportation, trade, and cultural exchanges between ancient China and foreign countries, also known as the "Maritime Ceramics Road" and the "Maritime Spice Road," was first mentioned by the French orientalist Chavannes in 1913. The French orientalist Chavannes first mentioned the Maritime Silk Road in 1913. The Maritime Silk Road, which sprouted in the Shang Dynasty and Zhou Dynasty, developed in the Spring and Autumn Period and the Warring States Period, was formed in the Qin and Han Dynasties, flourished in the Tang and Song Dynasties, and transformed in the Ming and Qing Dynasties, is the oldest known maritime route. China's maritime Silk Road is divided into the East China Sea and the South China Sea routes, two lines mainly centered on the South China Sea. The north and south routes of the "Maritime Silk Road" reached the most significant degree of convergence in the Yuan and Ming Dynasties.

The Ming Maritime Silk Road routes in this period were extended worldwide. (1) Zheng He's seven voyages to the West: a large-scale navigation activity organized by the Ming government, reaching 39 countries and regions in Asia and Africa. During the Yongle period of the Ming Dynasty, Zheng He sailed to the West Ocean seven times before and after, departing from Liu Jia Gang (now Liuhe Town) in Jiangsu Province and reaching Vietnam, Thailand, Cambodia, Malay Peninsula, Indonesia, Philippines, Sri Lanka, Maldives, Bangladesh, India, Iran, Oman, Yemen, Saudi Arabia, and Somalia and Kenya in East Africa via sea route. (2) The "Guangzhou-Latin America Route" (1575), which sailed eastward: it set sail from Guangzhou, sailed through Macao, and reached the port of Manila in the Philippines. It crossed the San Bernardino Strait and entered the Pacific Ocean, traveling east to the west coast of Mexico. In the middle of the Ming Dynasty (1550), the Maritime Silk Road turned eastward through the "Galleon Trade Route" opened by the Portuguese, crossed the Pacific Ocean, reached the American continent, and then crossed the American continent to reach Europe via the Atlantic Ocean, developing into a global trade route linking the East and the West. The history and routes of the two countries thus converged, and this was the beginning of everything about the Maritime Silk Road.

3.2. PRESENT

China and Portugal officially established diplomatic relations in 1979. To develop economic and trade ties between the two countries, the Government of the People's Republic of China and the Government of the Portuguese Republic signed the Trade Agreement between the Government of the People's Republic of China and the Government of the Portuguese Republic in Beijing on July 4, 1980, the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion of Taxes in 1998, and the Agreement on Sino-Portuguese Economic Cooperation in 2005, and renewed the Agreement on the Encouragement of Mutual Protection of Investments. 2005, the Sino-Portuguese Economic Cooperation Agreement was signed, and the Encouragement and Mutual Protection of Investments Agreement was renewed.

Countries of the Belt and Road Initiative

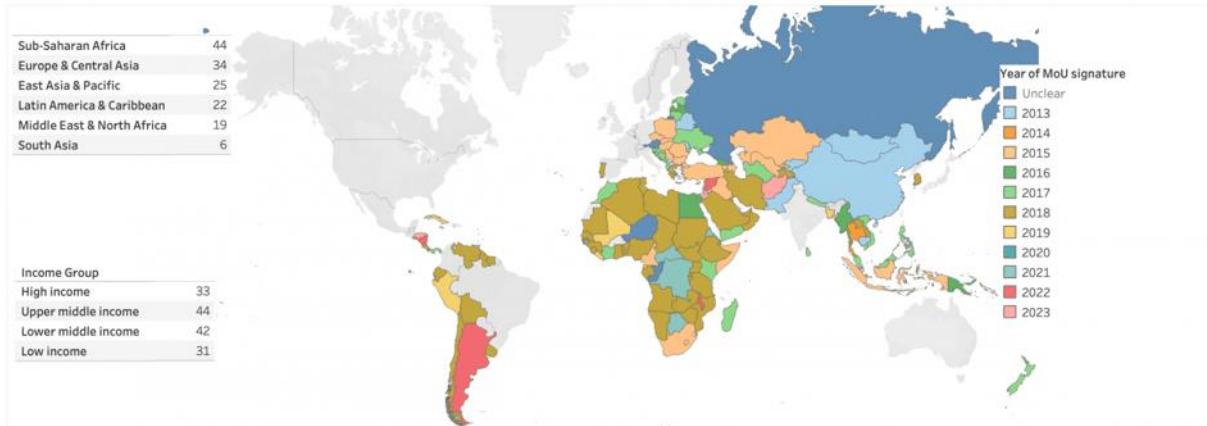


FIGURE 15 The List of countries/areas that have signed memorandums of understanding (MoU) or are reported to be members of the Belt and Road Initiative

source: Institute of Economic Research, Fudan University (2023)

Bilateral trade: As early as 1514, Portuguese merchants traveled to Guangzhou, China, and exchanged ivory, silver, wool, and sandalwood for Chinese silk. Since establishing diplomatic relations between China and Portugal in 1979, Sino-Portuguese trade has maintained a steady momentum. According to Chinese statistics, the bilateral trade volume was only 200,000 US dollars in the year of the establishment of diplomatic relations, exceeded 100 million US dollars for the first time in 1993, and exceeded 3 billion US dollars in 2010. 2014, the bilateral trade volume was 4.8 billion US dollars, an increase of 22.9% year-on-year, of which I exported 3.14 billion US dollars, an increase of 25.1% year-on-year, and 1.66 billion US dollars were imported by me, an increase of 18.9% year-on-year. According to China Customs statistics, China's main exports to Portugal are electrical machinery and equipment, mechanical appliances, toys, furniture, steel products, etc. Imported commodities include machinery and apparatus, electrical and mechanical equipment, cork and its products, pulp and wastepaper, mineral products, etc.

Two-way Investment: Portugal's investment in China started in 1988. According to the Ministry of Commerce of the People's Republic of China statistics, as of June 2013, Portugal invested in 195 projects in China, with an actual investment of 170 million U.S. dollars. The primary investment fields involve finance, high-tech, energy, trade, automobile, etc.

The famous line of Portuguese poet Camões, "The land stops here, the sea begins here," depicts the crucial geographic location of Portugal, which is the European starting point of the ancient Maritime Silk Road, an important hub connecting the Land Silk Road and the Maritime Silk Road, and a natural partner for the construction of the "One Belt, One Road." It is an important hub connecting the ancient Maritime Silk Road, the Land Silk Road, and the Maritime Silk Road and is a natural partner of the "Belt and Road." China and Portugal's development strategies are highly compatible; their economies and technologies are highly complementary, and their cooperation has enormous potential and broad prospects. While achieving the existing achievements, China and Portugal will steadily develop cooperation in the fields of health, green, digital, innovation, and ocean, and continue to expand the collaboration in tripartite or multi-party markets to promote the high-quality China-Portuguese joint construction of the "One Belt, One Road" to achieve a lot of results and better benefit the people of the two countries. It will continue to expand tripartite or multi-market cooperation and promote the high-quality joint construction of the "Belt and Road" between China and Portugal to achieve many results and benefit the two peoples better.

The relationship between China and Portugal has demonstrated a consistent pattern of growth in recent years. According to statistical data, as of 2021, China has become Portugal's third-largest trading partner, with bilateral trade reaching billions of dollars. Concurrently, Chinese investment in Portugal has continued to increase, encompassing a diverse range of sectors, including infrastructure, finance, and energy. Furthermore, the two countries have fostered closer cultural, educational, and other forms of exchange, which has reinvigorated the process of bilateral relationship deepening.

The links between China's Belt and Road Initiative and Portugal are more evident in trade, investment, and infrastructure development. China is one of Portugal's key trading partners. According to statistics, as of 2021, Portugal's total exports to China amounted to about \$2 billion, and total imports to China amounted to about \$3 billion. With the advancement of the Belt and Road Initiative, the demand in the Chinese market is growing, which provides more opportunities for Portuguese exporters.

Chinese companies are also gradually increasing their investments in Portugal. According to the Chinese Embassy in Portugal, China has become one of Portugal's most significant sources of foreign investment. Infrastructure, energy, and finance are among the primary investment areas for Chinese companies. The Belt and Road Initiative focuses on infrastructure development and connectivity, and Portugal's ports and logistics centers play an essential role in connecting Asia and Europe. For example, the Portuguese ports of Lisbon and Sines are among the most critical nodes for Chinese goods entering

the European market, and the two sides have a close relationship in port construction and logistics cooperation.

For the whole year of 2023, China's direct investment in Portugal amounted to € 386 million, up 34.52% year-on-year, and the stock of direct investment reached € 3.607 billion, up 12.02% year-on-year. Meanwhile, Portugal's direct investment stock in China amounted to € 55 million, up 10% year-on-year. (Sue Antin & Suloi, 2024).

The increase in these investments is related to the current economic situation in Portugal and China and the stable investment environment, which, according to the World Bank's Doing Business 2020 report, Portugal is 39th in the world and 14th in Europe. According to the WORLD RISK REPORT 2021, Portugal is ranked 43rd in the Global Disaster Risk Index, with a 1/11 ratio indicating a low level of natural risk.

In stark contrast to Portugal's accommodating and welcoming attitude, some developed countries have imposed stricter scrutiny on foreign investment in recent years, citing national security concerns, and the New Crown epidemic has made countries more cautious about foreign investment in strategic industries. France amended its foreign investment review methods twice at the end of 2019 and in April 2020 to raise the threshold of investment review and reduce the foreign shareholding limit from 33% to 25% and then to 10%; Spain reformed its foreign investment rules to require non-EU or non-European Free Trade Association (EFTA) countries to obtain governmental approval for investments in the strategic or public health sectors. Italy broadened the scope of its foreign investment review to include "all enterprises related to strategic activities."

Italy has expanded its foreign investment review to include "all enterprises related to strategic activities" while raising awareness of foreign investment; Germany strengthened its investment review mechanism three times in 2020, adopting a decree aimed at increasing scrutiny of the healthcare sector and allowing the government to block foreign acquisitions of vaccines, masks, and other related companies.

In recent years, the U.K. government has expressed national security concerns about acquisitions. In recent years, the U.K. government has been concerned about national security issues arising from acquisitions, and with the implementation of the National Security and Investment Act of 2020, which will have an even more significant impact on foreign investment, the U.S. has adopted new regulatory regimes, such as the Foreign Investment Risk Review Modernization Act (FIRRMA) and the Export Control Reform

Act (ECRA). With such a stringent scrutiny regime, Portugal has taken a relatively open and tolerant approach to Chinese investment. In the foreseeable future, the "One Belt, One Road" policy will further bring China and Portugal closer together.

For example, through capital operation and integration of production and financing, North China Water has invested in and operated 37 wastewater treatment plants and water supply plants in Portugal. In 2013, North China Water acquired a 100% stake in Veolia Water Portugal, including four franchise projects, one commissioned project, and several industrial projects. The scale of the concession projects can achieve 36,000 tons of water supply and 22,500 tons of wastewater treatment per day, serving a population of more than 500,000 people. This project is the first successful acquisition of an overseas operation project by North China Water, the first successful acquisition of overseas water assets by a Chinese-funded Beijing enterprise, and the first cross-border acquisition of a large national water group's assets by a Chinese water enterprise, which is of great significance to the overseas strategic layout. It lays a platform for further internationalization of the Group and is strategically vital for enhancing the international competitiveness of BeiJiao Group and China Water Enterprises. It is strategically significant to improve the global competitiveness of BeiJiao Group and China's water enterprises.

After the establishment of the Belt and Road Policy: China's investment in Portugal has been developing rapidly in recent years, and several Chinese-funded enterprises have already carried out various types of business in Portugal, covering the fields of energy, telecommunication equipment, finance, water supply, insurance, medical care, etc. The following are the details. The details are as follows:

China Three Gorges acquired 21.35% of the privatized shares of Portuguese power group EDP in December 2011, becoming the company's largest shareholder. In December 2012, Three Gorges acquired a 49% stake in EDPR, the wind energy business of EDP. In 2014, Three Gorges Europe's head office was established in Lisbon. The company and EDP have further increased cooperation in the field of hydropower, wind power, and other clean energy, accelerating the expansion of third-party markets in Latin America, Africa, and other markets, and have signed the Agreement on Deepening Strategic Cooperation and set up a research and development center. At present, Three Gorges Group has successfully entered the European new energy and Brazilian hydropower markets with the help of the EDP platform, with a total investment amount of 7.4 euros. The main investment movements were:

- ☞ In February 2012, State Grid acquired a 25% stake in REN, the Portuguese power grid, and became the company's largest shareholder. In March 2013, State Grid signed an agreement with Portugal's National Grid to establish a technology R&D center jointly.
- ☞ Huawei entered the Portuguese telecom market in 2003 and established a subsidiary in June 2004. Its main business is providing information and communication solutions, and it currently employs 80 people.
- ☞ Bank of China's Lisbon branch officially opened in July 2013, becoming the first commercial bank to operate in Portugal fully.
- ☞ Industrial and Commercial Bank of China (ICBC) established a representative office in Lisbon in 2011 and has established a wide range of contacts with the Portuguese government, finance, and enterprises.
- ☞ Wuhan Heavy Metallurgy Group invested and set up a wholly owned subsidiary, Wuhan Industrial Co., in October 2011 in the Industrial Park of Oliveira City, Portugal. It is mainly engaged in the processing and sales of mold parts and the import and export trade of mold steel and other steel materials.
- ☞ Yikaidi International Group of Companies set up a subsidiary in Portugal in December 2011. The subsidiary, with ten employees, is mainly engaged in engineering design consulting, construction materials, Portuguese trade, and other businesses.
- ☞ In March 2013, North Control Water Group acquired the entire share capital of Compagnie Generale des Eaux (CGEP), a Portuguese company owned by France's Veolia.
- ☞ Fosun International acquired an 80% stake in CGEP's insurance business in January 2014 and, through its holding company, acquired 3.9% and 96% of each of EDP and the second-largest healthcare services company in Portugal in June and October of the same year.

In December 2018, China and Portugal signed a memorandum of understanding on jointly promoting the "Belt and Road Initiative." With the signing of this document, the Silk Road has established inextricable and continuous ties between China and Portugal in this new era. Over the years, the cooperation between the two countries in building the "Belt and Road" has achieved remarkable results.

In terms of trade and economic cooperation, China has been Portugal's largest trading partner in Asia for several years. From January to April 2023, Sino-Portuguese bilateral trade amounted to 2,816.8 million U.S. dollars. It is anticipated that the two countries will continue to expand the scope of their cooperation in the future. Portuguese goods of a high quality, such as black pork and wine, are becoming

increasingly available to Chinese consumers. The two countries will cooperate in nanotechnology, satellite applications, and cultural heritage protection. Additionally, the blue economy may become the most promising area of cooperation between the two countries. With long coastlines and rich marine resources, China and Portugal are natural partners in marine economic cooperation. Portugal is also the first country in the European Union to formally establish a "Blue Partnership" with China, which may lead to promising prospects for developing the blue economy in the coming years. Additionally, Portugal is the first European country to implement a green hydrogen energy production programme, while China is the world's largest producer of solar and wind energy.

In the context of enterprise cooperation, Portugal represents an important gateway for Chinese enterprises seeking to enter the European market. There has been a notable degree of success in the field of R&D cooperation between enterprises of the two countries. In Lisbon, Portugal, the State Grid Corporation of China-Portugal National Energy Grid Company Energy R&D Center was established. Following years of development, the R&D Center has established itself as a leading European research hub, having been selected as one of the "Top 100 Enterprises in Portugal for R&D Investment" and "European Union Joint Research Center for Intelligent Energy." It has been selected as one of the "Top 100 Portuguese companies investing in R&D" and "EU Joint Research Center Smart Grid Laboratory List." It has also demonstrated the successful application of advantageous technological achievements and has been awarded numerous international accolades.

In the field of finance and investment, the two countries have utilised financial resources such as the China-Portugal Cooperation and Development Fund, Asian Infrastructure Bank, Silk Road Fund, and "Belt and Road" particular loan to provide financing support for China-Portugal cooperation in the critical areas of energy, infrastructure construction, production capacity cooperation, etc. This has strongly promoted the implementation of cooperation projects between the two countries. Currently, Sino-Portuguese investment projects have yielded positive economic and social outcomes at the local level and have led to the expansion of some projects into tripartite cooperation in Europe, Africa, Latin America, and other regions. This has established a model for tripartite collaboration within the Belt and Road Initiative framework.

In the field of the humanities, China and Portugal continue to deepen their cooperation, with the objective of establishing a bridge of mutual communication and integration between the two countries. The Confucius Institute has played a pivotal role in this process, with the number of Chinese language learners in Portugal increasing yearly and the number of Chinese students coming to Portugal to study

also growing. Notably, the Portugal Luban Workshop represents the inaugural Luban Workshop on the European continent and is the sole Luban Workshop whose signing was witnessed by national leaders. On 5 December 2018, the Portugal Luban Workshop was officially inaugurated, with both parties committed to jointly cultivating talents specializing in electrical automation and industrial robotics. The Luban Workshop has brought Chinese technology and craftsmanship to the westernmost tip of the European continent. The Lu Ban Workshop, as a representative of numerous overseas educational brand projects, has played a pivotal role in strengthening international exchanges and cooperation between governments, enterprises, and colleges in countries along the "Belt and Road," promoting humanistic exchanges between China and foreign countries, and enhancing the international influence of China's vocational education.

Sino-Portuguese investment co-operation has yielded considerable results, with the scale of investment from both parties consistently expanding and the investment fields continually diversifying. However, there are also some challenges to be overcome, primarily the unstable policy environment, the limited market scale and the evident cultural differences. Nevertheless, the prospects for Sino-Portuguese investment cooperation are promising, and can be enhanced by strengthening policy coordination, deepening market opening and enhancing cultural exchanges. The advantages of Sino-Portuguese investment cooperation can be identified as strong complementarity, broad market prospects and strong policy support. Conversely, the disadvantages can be described as small market size, unstable policy environment and cultural differences. The opportunities for Sino-Portuguese investment cooperation can be seen in China's Belt and Road Initiative and the market potential of Portuguese-speaking countries. However, the challenges can be identified as the uncertainty of the global economy and geopolitical risks. The strengthening of policy coordination, the deepening of market opening and the enhancement of humanistic exchanges can facilitate the deepening and development of Sino-Portuguese investment cooperation.

In conclusion, this thesis posits that Sino-Portuguese investment cooperation has significant potential and extensive prospects, although it is confronted with certain difficulties and challenges. The intensification of collaboration and the constant exploration of novel modes and areas of cooperation can achieve mutual benefits and promote common development between China and Portugal.

3. RESEARCH METHODOLOGY

3.1. PURPOSE OF THE STUDY

This thesis aims to analyse the current situation, problems, and future development direction of investment cooperation between China and Portugal, analyse the advantages and limitations of Sino-Portuguese investment cooperation, explore the opportunities and challenges of Sino-Portuguese investment cooperation, and put forward suggestions for the development of Sino-Portuguese investment cooperation. To provide valuable references for strengthening investment cooperation between the two markets.

3.2. METHODS

This thesis adopts in-depth interviews as main research method. It were conducted in-depth interviews with relevant practitioners, experts, scholars, policymakers, entrepreneurs, etc., to understand their views, experiences, and suggestions on Sino-Portuguese investment cooperation. This method can provide direct empirical evidence to enrich further and improve the research results.

Expert interviews are a viable research method when secondary data are difficult to obtain or not directly illustrative, and when using expert interviews as a research method, we are often confronted with these situations:

- ☞ Data collection is difficult: "In some cases, especially when dealing with minority populations or specific areas, data can be exceptionally difficult to obtain. Expert interviews may provide the only opportunity for researchers to gain insight and understanding that can fill the gaps in the data." (Adams, 2016)
- ☞ Complexity and depth: "For research on complex issues, expert interviews provide a unique opportunity to delve into different levels and dimensions. The expert's experience and insights allow the researcher to gain a depth of understanding that is often difficult to achieve with other research methods." (Clark, 2018)
- ☞ Theory construction: "In the process of theory construction, expert interviews may be the only way to obtain critical data. Feedback and insights from experts can provide researchers with valuable information to further develop and refine their theoretical framework." (White, 2017)
- ☞ Case study: "In case studies, expert interviews are an indispensable method for providing detailed and in-depth information. By interacting with experts in the relevant field, the researcher can gain a

deeper understanding of the context and situation of the case, thus enriching the content and quality of the study." (Harris, 2019)

And in this case, expert interviews have the advantage of:

- ☞ Gathering expertise: "Expert interviews provide an opportunity to gain insight into the expertise of a particular field. By interacting with experts, researchers are able to gain a combination of practical experience and theoretical knowledge that enriches the depth and breadth of their research." (Smith, 2010)
- ☞ Test hypotheses or theories: "Expert interviews can be used not only to collect data, but also to test research hypotheses or theories. Through in-depth discussions with experts in the field, researchers can test the logic of their hypotheses and obtain suggestions for revising or expanding them." (Jones, 2015)
- ☞ Obtaining a deeper understanding of complex problems: "When faced with a complex problem, expert interviews can help researchers gain insight into the different dimensions of the problem, identify relevant factors and make sense of the interrelationships. The experience and insights of experts can provide researchers with valuable references to help them better understand the nature of the problem." (Brown, 2018)
- ☞ Collecting case study data: "When conducting a case study, expert interviews are one of the most important ways to collect data. Through in-depth communication with case-related experts, researchers are able to obtain detailed information and insights about the case, thus enriching the case study's data sources." (Johnson, 2012)
- ☞ Addressing practice: "Expert interviews play an important role in solving practice problems or developing policy. Through in-depth discussions with experts in relevant fields, policymakers can gain a fuller understanding of the nature of the problem, identify possible solutions, and develop more effective decisions." (Robinson, 2019)

Expert interviews become a viable option when there are relatively few relevant studies and the relevant data are difficult to illustrate the research questions. To verify the above theoretical analysis, we conducted interviews with relevant people. The research methods we chose were case studies, prospective studies, and surveys of practitioners related to the Belt and Road. The rationale for our choice of this method is that it is widely recognized in the management community that a case study is a very effective method to face some unknown areas if more experience and theory accumulation are needed as the basis for research. Suitable events can be selected for in-depth analysis, and hypotheses and

conclusions can be drawn from the surface phenomena as a basis for future research. Therefore, when exploratory research is required, one of the criteria for judging the appropriateness of using case study methodology in the field of library and intelligence is the nature of the research question. Even if the assumptions are vague, the research question is a theoretical gap or still in the early stages of development of the discipline. The existing literature needs to explain or answer the research question. It is appropriate to summarize theoretical frameworks and conceptual models from practice. The case methodology applies when the theoretical framework and conceptual model need to be outlined in training. In this case, the researcher used the process of theory building rather than theory validation, a pioneering method of discovering new theories rather than testing existing ones, and ultimately developed a practical exploratory theoretical framework.

Participants in interviews were:

Zeng Zhonglu (1)	Professor, Gaming and Tourism Teaching and Research Center, Macao Polytechnic University. Doctor of Economics, Nankai University Editor-in-chief of World Gaming and Tourism Studies
Fu Jiajun (2)	Chairman, Nam Kwong (Holdings) Limited
Ahn Seong-young , Agostinho João António dos Santos (3)	Permanent Secretariat of the Sino-Portuguese Forum
Li Haifeng (4)	Secretary of the Party Committee of Fosun Group, Senior Vice President of Fosun International, Chief Communication Officer of Fosun Group CCO
Qian Keming (5)	Researcher, Chinese Academy of Agricultural Sciences, M.S. in Genetic Breeding, Ph.D. in Agricultural Economics and Management
Francisco Leandro (6)	Vice-President of the Institute of Lusophone Studies of the City University of Macao (Portuguese)
Jincheng Seng (7)	Regional Director, Europe, Overseas Investment Division, Hong Kong Global Group, specializing in Golden Visa and Real Estate
Chen Qunwu (8)	Second-generation Chinese immigrant from Portugal, son of the president of the trading company Vila de Conde.

The current study presents a number of challenges, including the inability to directly illustrate the problem with secondary information. Secondary data frequently presents macroeconomic investment, income, and expenditure data, which makes it difficult to link these data to the problem under discussion. Additionally, the group involved in Sino-Portuguese trade is relatively small, the field is highly specialized, and the data is particularly challenging to obtain. Moreover, the problem is more complex, and the

experience and insights of experts can provide a depth of understanding that is usually difficult to achieve with other research methods. In the process of theory construction, this method can provide direct empirical evidence to further enrich and improve the research results.

4. PRESENTATION OF RESULTS

The following conclusions are drawn from the analysis of interviews and the combination of existing data: China's outward investment cooperation has continued to develop steadily and healthily, with an expansion in scale, optimization of structure, and improvement in efficiency. The global economic crisis that emerged in 2020 has had a profound impact on global supply chains, international markets, and the economy as a whole. The crisis has led to a reduction in demand, increased downward pressure on the economy, and a shift in the supply and demand for international direct investment (IDI) and related policies. The epidemic has also resulted in the imposition of border closures, travel restrictions, and quarantine measures by various economies, which have contributed to a significant decline in global trade, estimated at US\$2.6 trillion.

To elucidate the impact of the Belt and Road Initiative on the Sino-Portuguese economy, we conducted an interview with Li Haifeng (4), Secretary of the Party Committee of Fosun Group, Senior Vice President of Fosun International and Chief Communications Officer of Fosun Group. In 2013, the majority of European countries experienced a recession, with Portugal being no exception. Among other challenges, the Portuguese economy was confronted with severe capital shortages and high unemployment. (4). In 2014, the Portuguese economy began to improve, and the Portuguese government announced its intention to exit the international bailout programme and return to the global capital market. (7) (8) Fosun seized the opportunity presented by Portugal's privatisation reform and proceeded to take the lead in acquiring a controlling stake in Fidelidade, which was at that time the largest general insurance company in Portugal. Between 2013 and 2017, Fidelidade's net profit increased from €08 million to €16 million. This resulted in a significant increase in the company's net profit, from €8 million to €16 million. (4) Furthermore, the company has established a specialised division to cater for the Chinese market, with clients including China Road and Bridge Group, Gezhouba Group, Three Gorges Group, Huawei and other well-known overseas investment companies.

It is noteworthy that, as the largest listed bank in Portugal, Millennium Bank (BCP) has a comprehensive presence in Portugal as well as in Portuguese-speaking countries and territories such as Mozambique, Angola and Macao. Millennium Bank has a unique market share in Portugal, Portuguese-speaking countries and regions, as well as in Poland, Switzerland and other Belt and Road participating countries. This is strategically important for the introduction of e-RMB.

In this context, in 2016, Fosun acquired a stake in BCP, thus becoming the bank's most important strategic investor. (1) Through the integration of resources and the introduction of Fosun, in 2017, BCP entered into a memorandum of strategic co-operation with UnionPay International, thus paving the way for full-scale co-operation and expansion of the UnionPay card business in Portugal. Furthermore, the bank has established co-operation with markets such as Switzerland, Poland, Angola and Mozambique. This facilitates the use of UnionPay cards by local customers while opening up new markets for UnionPay International.

In this context, Li believes that his overseas companies are performing well. The scale of new retained earnings (i.e. current earnings reinvestment) and the ratio of recent earnings reinvestment to OFDI both increased during the year compared to the previous year. Notably, the proportion of current earnings reinvestment reached a record high. In 2019, the implementation of the "Belt and Road" policy and the strengthening of cooperation with the Portuguese side led to a significant increase in the scale of earnings reinvestment in China's non-financial outward FDI, reaching a cumulative total of US\$60.62 billion. This represents an increase of US\$18.09 billion over the previous year. Among these figures, non-financial outward FDI reached a total of US\$44.4 billion, representing a relatively high proportion. Over the course of the year, non-financial outward FDI reached a total of US\$60.62 billion, representing an increase of US\$18.09 billion compared to the previous year. The proportion of outward foreign direct investment for the year as a whole was higher, at 4.43 per cent, representing a 14.6 percentage point increase compared to the previous year. The proportion of reinvested earnings for the year was \$4.44 billion. (4)

The current issues and future development directions. From the currently available information, it can be inferred that in March 2018, Fosun initiated a partnership between BCP and Alipay. This marks a significant advance in the implementation of the e-RMB policy in China, with the two entities joining forces to provide enhanced and more convenient services to Chinese and Portuguese customers.

Jin Cheng (7) , Regional Director of Europe, Overseas Investment Department, Hong Kong Global Group, which specialises in Golden Visa and real estate business, asserts that the "Belt and Road" policy has had a positive impact on the Portuguese economy. (7) As is well known, BCP's collaboration with Fosun Group provides it with robust strategic investor backing, which enhances its competitiveness in the Portuguese and Portuguese-speaking markets. (1) (4) (7) As a global investment company, Fosun Group can integrate and introduce a substantial quantity of resources for BCP, thereby facilitating

the latter's development in terms of business expansion and risk control. Furthermore, through the signing of a strategic cooperation memorandum with UnionPay International, BCP will collaborate with other businesses of UnionPay Card in Portugal, thus enhancing the service level of UnionPay Card. (1) Furthermore, the collaboration between the two entities will be extended to markets such as Switzerland, Poland, Angola, Mozambique, and others. This will enable local customers to benefit from the convenience of China UnionPay Cards and facilitate the expansion of UnionPay International's international business operations. Furthermore, UnionPay International has introduced UnionPay card payment services in Portugal, Poland, Angola and Mozambique, providing local customers with a more convenient choice of payment methods. The Portuguese-speaking countries, which are located in Europe, South America and Africa in large numbers, are important economic partners. (3) This policy provides Portuguese-speaking countries with more opportunities for co-operation in infrastructure development, trade and investment. Given the dual role of the Belt and Road Initiative, it is both feasible and realistic for China and Portugal to initiate joint third-party Portuguese-speaking countries for investment. (1) As a result, Portuguese-speaking countries have become an important part of the Belt and Road participating countries, and their economies have been further developed under the Belt and Road Initiative. (3)

In our interview with Professor Zeng Zhongle (1), he posited that the Silk Road Economic Belt is a policy initiative comprising three principal routes. China to Europe via Central Asia and Russia; China to the Middle East and the Mediterranean via Central and West Asia; and the 21st Century Maritime Silk Road, with a focus on the Trans-South China Sea Silk Road from China's coastal ports to the Indian Ocean and Europe, and the Trans-South China Sea Silk Road from China's coastal ports to the South Pacific. In accordance with the aforementioned four directions, the construction of the Belt and Road will rely on the construction of international transport corridors, with central cities and important ports along the route as nodes. (1) Furthermore, the initiative will also facilitate in-depth cooperation in the construction of the New Asia-Europe Continental Bridge. (1) (2)

The objective of the "Belt and Road" Initiative is to promote deep market integration, strengthen ties between different economies and facilitate the flow of capital, goods and services between Asia and the rest of the world. (1) The "Belt and Road" Initiative presents new opportunities for global businesses, enabling multinational corporations and small and medium-sized enterprises (SMEs) to tap into emerging markets and expand business opportunities with the Chinese mainland, ASEAN, the Middle East and Central and Eastern Europe. The increased investment and trade activities in the emerging economies along the Belt and Road will facilitate the acceleration of social development and the benefit of all parties.

(1) (5) (7) The opening of Macao casino hotels in countries along the Belt and Road will diversify risk through regional diversification and give these hotels a competitive advantage. It is assumed that these casino hotels, through their local operations, will leverage Macao's position as a gaming intermediary to identify high-end consumers and introduce them to Macao. In this case, Macao's customer base is diversified. Regional diversification allows companies to enter new and spatially different markets. Two major risks to Macao's economy have been identified. The first is over-reliance on gaming, and the second is over-reliance on mainland tourists. Regional diversification can be a valuable strategy for companies seeking to mitigate these risks. (1) (5)

It allows them to capitalise on unique advantages such as superior technology or management systems, privileged access to finance or raw materials, greater market power and economies of scale, and product branding and advertising. The benefits of these advantages often greatly outweigh the additional costs of doing business abroad. Regional diversification can facilitate the acquisition of new customers through cross-marketing. From the perspective of the gaming industry, the implementation of the "Belt and Road" strategy provides an additional opportunity for Macao to diversify its clientele through cross-marketing with the Mainland and Hong Kong. (1)

It is foreseeable that the "Belt and Road" initiative will attract more residents from countries along the route to visit the Mainland or Hong Kong. Should gaming enterprises and the Macao government prioritise cooperation with Hong Kong and the Mainland, and utilise cross-marketing to attract tourists from these countries to visit Macao, it will also serve to increase the number of visitors to Macao. Consequently, if gaming enterprises and the Macao Government prioritize strengthening collaboration with Hong Kong and the Mainland, and utilize cross-marketing to attract tourists from these countries to visit Macao, it will also assist in diversifying Macao's source market. Joint cross-sector promotion can attract tourists to Macao. Advantages of Macao in terms of regional diversification: Several advantages of Macao lay the foundation for regional diversification in the gaming industry.

Firstly, Macao's resort complex is the largest in the Eastern Hemisphere, second only to Las Vegas. The gaming intermediaries in Macao have the experience and systematic network to identify and provide personalised services that are difficult to find elsewhere. Furthermore, Macao's corporate income tax is one of the lowest in the world, which allows Macao's retail goods to compete at low cost. Two significant risks currently facing Macao's economy are its high dependence on gaming and its increasing reliance on mainland sources of tourists. In order to mitigate the risk of high dependence on gaming, Macao's gaming enterprises must diversify their products and introduce additional products and entertainment

facilities, in addition to gaming products. Furthermore, in order to reduce their reliance on mainland tourists, Macao's gaming enterprises must adopt a regional diversification strategy. The national "One Belt, One Road" strategy has enabled gaming enterprises in Macao to achieve regional diversification. By investing in hotels (including casino hotels) in countries along the "Belt and Road", Macao gaming enterprises can explore potential VIP customers and attract them to visit and spend money in Macao. Macao's casino resorts enjoy a clear advantage of scale, while gaming intermediaries possess the requisite experience in identifying guests and providing services, which will facilitate the regional diversification of Macao's visitor sources. The blending of Chinese and Western cultures in Macao creates an optimal environment for attracting tourists associated with the One Belt, One Road initiative. (1)

The advantages and limitations of Sino-Portuguese investment cooperation. It is widely acknowledged that, in terms of economic activities, China's current social system can be described as socialism with Chinese characteristics. This financial system is very similar to the planned economy of the Soviet Union. This is evidenced by the fact that certain enterprises in China are financed and heavily subsidised by the government. The extent of such subsidies can be such that the laws of the market are temporarily ignored. The Li Haifeng (4) Group and the Fu Jiajun (2) Group, which will be discussed in detail below, are representative of such groups. His views are in line with those of most practitioners in SOEs and centralised enterprises who are primarily concerned with this development. The key word they are more concerned with is development, which is consistent with China's national context and the country's development policy. This policy has been adapted to accommodate the market changes brought about by the epidemic, and it is evident that it favours companies operating in Portugal and other Portuguese-speaking countries. (1)(2)

Moreover, these investment changes are reflected in the construction of government infrastructure, such as the Porto Pink Metro line, which is being built by China Railway Company Ltd. Fu Jiajun (2), general manager of China South Locomotive Tangshan Rolling Stock Co Ltd, was granted permission to commence production in October 2020 following the prior approval of the Audit Court (TDC) of the Porto Metro. China's "One Belt, One Road" policy aims to establish an extensive transport network between China and Europe. Once these projects are fully implemented, transport between China and Europe will become much more dynamic. This will facilitate faster and more efficient market flows for fruit, seafood and other transport-intolerant products, among others. The implementation of these projects will facilitate the further development of larger markets. Portugal has been an important port in Europe, and the realisation of these projects will connect the economies and markets of the two countries, offering significant potential for shared prosperity and development. (2)(4)(5)

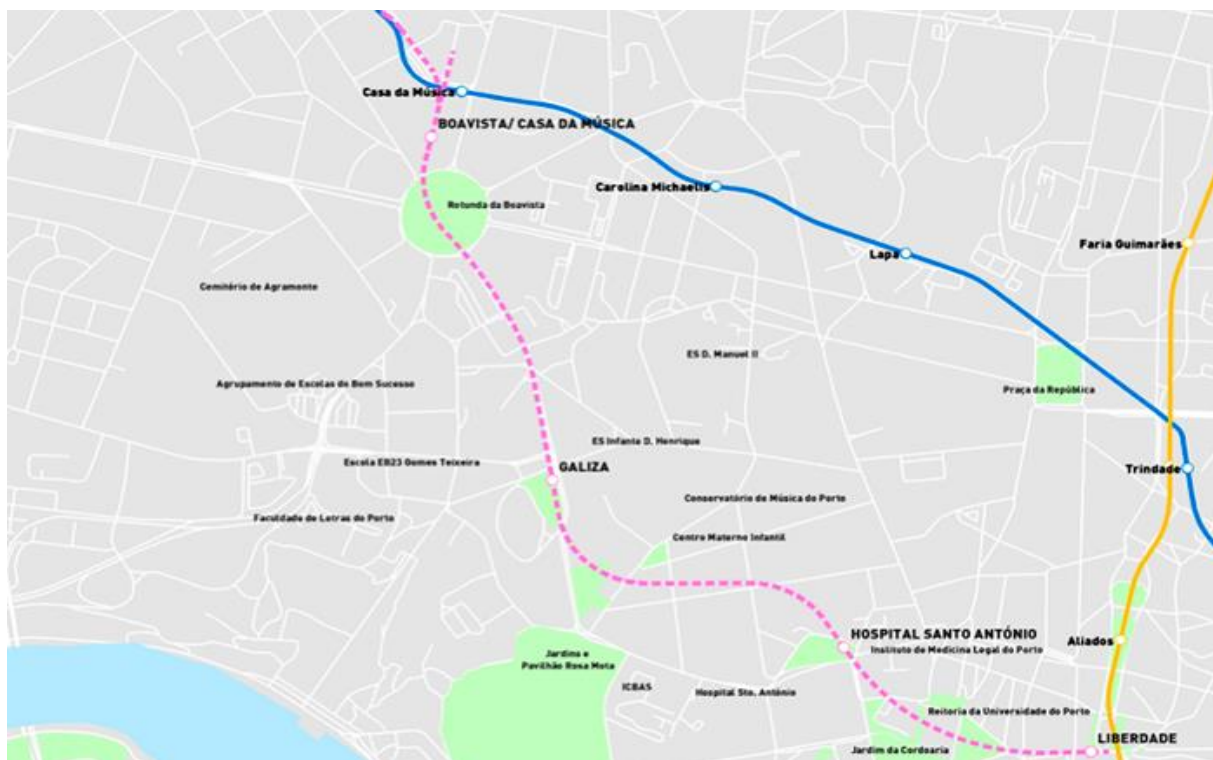


FIGURE 16 LINHA ROSA METRO PORTO, source: Metro do Porto (2019)

Despite a decline due to a series of problems brought about by the corruption debacle of 2015, the outbreak of epidemics starting in 2019 and the Russian-Ukrainian war, Chinese investment in Europe is holding up well.(4)(7) This shows that outward investment has a solid stimulating and therapeutic effect on depressed markets. It is certainly a wise investment for Portuguese-speaking countries such as Portugal, which are currently strengthening their cooperation with China. What happens when unique market conditions face such a stable investment environment? As previously stated, state-owned enterprises are not prevalent in the Chinese market; they rely heavily on government subsidies and pay less attention to market rules. In contrast to government support, a significant proportion of market participants are self-sustaining private companies and SMEs. A notable example is Chen Qunwu(8), the son of the president of the trading company Vila de Conde and a second-generation Portuguese-Chinese. We inquired as to the impact of the Belt and Road policy on private enterprises since its implementation.

He considers the Belt and Road policy to be of great significance to the company's current and future development. The policy provides them with valuable opportunities to explore international markets. As second-generation Chinese immigrants in Portugal, they have a unique cultural background and understanding, which enables them to better cooperate with Portuguese-speaking countries and build strong business relationships in these countries. Participation in the Belt and Road Initiative will enhance

their presence on the international stage and contribute to the long-term development of the company. (8)With regard to the specific role of the Belt and Road Initiative in their lives,The "One Belt, One Road" policy has greatly boosted their business in the Portuguese-speaking market. Their deep Portuguese cultural background and understanding of Portuguese culture has enabled them to better integrate into the local community and build closer partnerships. This has facilitated their business expansion in the Portuguese-speaking market, bringing them more business opportunities and partners. With this policy, they anticipate greater development in the Portuguese language and Portuguese-speaking market.(7)(8)

Chen Qunwu(8) and Jin Cheng(7) and others are primarily concerned with the advancement of their own interests. For them, the Belt and Road policy represents a more closely integrated economic framework. In other words, their business activities are supported by the national policy, which provides more opportunities for them to attract liquidity and customers. This, in turn, favours their business development.(7)(8)

The opportunities and challenges of Sino-Portuguese investment cooperation. However, it should be noted that the perspective of academic practitioners differs from that of stakeholders. This is evidenced by our interview with Francisco Leandro (Portuguese)(6).

Furthermore, it is important to note that most Portuguese-speaking countries have also joined the Belt and Road Initiative with China. This initiative has led to the implementation of numerous cooperation projects. China has established six land-based economic corridors and three maritime blue economic corridors. China has participated in the construction of 20 deep-sea ports in Portuguese-speaking countries through investment, management and the provision of technology. With regard to the construction of special economic zones, China has completed five of the 24 special economic zones developed by Portuguese-speaking countries. In addition, China has supported the construction of new campuses in São Tomé and Príncipe. In his view, the economic pull of the Belt and Road Initiative was not limited to trade. While infrastructure projects such as "Building a Better World" and "Global Gateway" might compete with the Belt and Road Initiative, it was important to consider the potential for cooperation between those initiatives. (3)(6) These initiatives represent important tools in the fight against poverty and disease, and there is much room for cooperation between them. While competition was to be expected, it was important to avoid competition escalating into economic warfare. China and Portugal could cooperate in the field of nanotechnology, especially in satellite applications, and in the preservation of cultural heritage. (6)In addition, the blue economy is a promising area for potential cooperation between the two countries. Portugal was the first European Union member state to formalise the Blue Partnership

with China, which is expected to develop well in the coming years.(3)(6) Furthermore, Portugal is the first European country to develop a green hydrogen production programme, while China is the world's largest producer of solar and wind energy. Additionally, China is currently building a biomass power plant in Guinea-Bissau. These developments represent a promising future direction, with new energy emerging as a key area of potential collaboration between China and Portuguese-speaking countries.

Agostinho João António dos Santos(3), the Angolan representative of the Permanent Secretariat of the Sino-Portuguese Forum, broadened the scope of economic co-operation to include a wider impact on the country's development. In light of the outbreak, he emphasised that sustained investment of resources was an important strategy to address the challenge of the spread of novel coronaviruses among populations and societies. At the time, the epidemic constituted a significant obstacle to the further development of the country's economy. China provided substantial support to Angola, including leadership in the development of vaccines, biosafety materials and laboratory testing supplies. The Sino-Angolan partnership is becoming increasingly robust and resilient, and as a result, the number of private investment projects by Chinese companies in Angola is increasing. He expressed confidence that the two countries had established effective mechanisms to strengthen their cooperation and expressed the hope that they would be further strengthened during the current session, particularly in terms of providing more support to micro and small enterprises in Portuguese-speaking countries, including Angola.(3)

China's status as a major country in outward investment and cooperation will continue to be consolidated, and it will play an active role in the high-quality construction of the Belt and Road. This will be evidenced by the continued growth of Chinese investment and trade abroad, as well as the expansion of Chinese involvement in the infrastructure development of the Belt and Road Initiative. China has played a constructive role in the high-quality construction of the Belt and Road, promoting the economic and social development of the host countries, deepening economic and trade relations between China and relevant countries, and contributing to the construction of an open world economy. The contemporary global context is characterised by a profound transformation, particularly in the wake of the global spread of the novel coronavirus pandemic, the accelerated realignment of the international political and economic landscape, the global economy's descent into recession, and the traditional international cycle is experiencing a period of weakening, with an increase in the prevalence of unilateralism and protectionism. This is accompanied by a rise in anti-globalisation sentiment and a sustained decline in global cross-border direct investment, which has a profound impact on the external environment for Chinese enterprises seeking to expand internationally.(5) In the current year, despite the increasingly complex

circumstances, the collective efforts of the majority of Chinese enterprises engaged in overseas investment and cooperation, in conjunction with the support of various governmental departments and local authorities, have resulted in a continued and steady growth in China's outward investment and cooperation. This has been more successful than anticipated. (1)

Those in government, education and diplomacy who are closely associated with the "Belt and Road" policy have a deeper understanding of the policy and are better able to interpret relevant data and documents. The experts who participated in the study were generally optimistic about the Belt and Road policy, as it aligns with the prevailing globalisation trend and resonates with individuals' aspirations for prosperity, connectivity, and exchange.

5. REPORTING OF RESULTS

5.1. THE PRESENT SITUATION

Under the Belt and Road policy framework, the cooperative relationship between China and Portugal has been deepening. Portugal is one of China's key partners in Europe, and cooperation between the two sides under the Belt and Road Initiative has covered a wide range of areas. For example, in infrastructure construction, Chinese companies have participated in Portuguese ports, roads, railroads, and other infrastructure projects, such as expanding and modernizing ports in southern Portugal.

In addition, Sino-Portuguese cooperation is also growing in terms of clean energy, with Chinese companies participating in solar and wind energy projects in Portugal. Both sides have also seen growth in trade and investment, with China being one of Portugal's key trading partners and bilateral trade continuing to grow. In addition, there have been positive cooperation initiatives between China and Portugal, such as cultural exchanges and educational cooperation, strengthening the understanding and friendship between the two peoples. Overall, the Sino-Portuguese partnership under the Belt and Road framework is gradually deepening, injecting new vitality into the economic development and regional cooperation between the two sides.

5.2. POSITIVE ASPECTS AND PROBLEMS

Cooperation between China and Portugal under the Belt and Road Initiative has several advantages and problems:

Advantages:

- ☞ Geographic location advantage: Located at the southwestern tip of Europe, Portugal is an important hub connecting Europe, Africa, and Latin America. It is geographically complementary to China, which will help to expand the Belt and Road's land and sea connectivity.
- ☞ Advantages in ports and logistics: Portugal has world-famous port cities, such as Lisbon and Porto, as well as one of the largest deep-water ports in Europe, Porto de Sines, which can serve as an essential gateway for Chinese goods to enter the European market and accelerate logistics transportation.

- ☞ Potential for investment and infrastructure cooperation: China and Portugal can cooperate in infrastructure, energy, transportation, and finance to jointly promote the economic development of the countries along the Belt and Road and provide more business opportunities for enterprises on both sides.
- ☞ Cultural and linguistic ties: China and Portugal have a long friendship and cultural relations history. Portugal is also a Portuguese-speaking country, which helps to strengthen exchanges and cooperation between the two sides.

Problems:

- ☞ Political Risks: Due to the many countries involved in the Belt and Road Initiative and each country's different political environments and policy stability, China and Portugal may face political risks in Belt and Road cooperation.
- ☞ Imbalance in economic cooperation: As a developing country, China and Portugal have differences in financial strength and development level, which may lead to an imbalance in collaboration.
- ☞ Environmental and social risks: Infrastructure construction and investment projects under the Belt and Road Initiative may impact the local environment and society, triggering problems such as environmental pollution and social conflicts.
- ☞ Transparency and Governance Risks: Some Belt and Road projects are characterized by insufficient transparency and poor governance, which may lead to inefficiency in project implementation, resource waste, and other risks.
- ☞ Debt problems: Some countries along the Belt and Road have debt risks associated with infrastructure construction loans provided by China, which may lead to debt defaults and financial difficulties.

5.3. OPPORTUNITIES AND CHALLENGES

In recent years, cooperation between China and Portugal under the Belt and Road Initiative has shown some positive trends but has also faced some challenges. Here are some relevant data and situations in recent years:

Opportunities:

- ☞ Trade growth: According to China's General Administration of Customs (GAC), trade between China and Portugal has increased recently. Bilateral trade between China and Portugal reached US\$3.98 billion in 2019, declined in 2020 due to the impact of the epidemic, but grew again in 2021.
- ☞ Investment Increases: According to China's Ministry of Commerce data, Chinese direct investment in Portugal has gradually increased in recent years. By the end of 2021, the stock of Chinese direct investment in Portugal was € 2.9 billion, and the stock of all types of investment was € 10.6 billion.
- ☞ Infrastructure construction: Chinese companies have participated in constructing some infrastructure projects in Portugal, such as ports and railroads.

Challenges:

- ☞ Geopolitical impact: Sino-Portuguese cooperation is affected by the international political environment. For example, the relationship between the European Union and China and changes in the global trade situation may affect its development.
- ☞ Project Feasibility: Some cooperation projects' feasibility and profitability still need improvement. Investors must carefully assess projects' commercial viability and risks to justify investments.
- ☞ Environmental and social issues: Infrastructure projects, such as land expropriation and environmental pollution, may impact the local environment and society, which must be emphasized and addressed.
- ☞ Cultural differences and language barriers: Sino-Portuguese cooperation faces challenges such as cultural and language barriers, requiring enhanced cross-cultural communication and understanding to improve its efficiency and effectiveness.

5.4. FUTURE

In December 2018, during President Xi Jinping's state visit to Portugal, China and Portugal signed a memorandum of understanding on cooperation in "Belt and Road" construction. In April 2019, President de Sousa of Portugal will visit China and attend the 2nd "Belt and Road" International Cooperation Forum. Summit Forum. The two leaders exchanged visits in less than half a year, pushing

the China-Portugal comprehensive strategic partnership to a new high. China-Portugal cooperation in building the Belt and Road is at a new historic starting point. The two sides will keep abreast of the times, seize opportunities, uphold the principles of mutual respect and equality, and further enhance practical cooperation, which will further enrich the connotation of the China-Portugal comprehensive strategic partnership.

The joint construction of the "Belt and Road" by China and Portugal demonstrates the natural advantages of cooperation. Portugal is an ancient seafaring country, the starting point of the ancient Maritime Silk Road in Europe, and an important hub connecting the Land Silk Road and the Maritime Silk Road. It is a natural partner in building the "Belt and Road" together. Portugal is one of the founding members of the Asian Infrastructure Investment Bank (AIIB), the first Western European country to sign a cooperation document with China on the construction of the "Belt and Road," the first European Union (EU) country to formally establish the "Blue Partnership" with China—the first eurozone country to issue renminbi (RMB) bonds. China is Portugal's largest trading partner in Asia. China is Portugal's largest trading partner in Asia, and Portugal is China's leading investment destination in Europe. The favorable location conditions and a strong willingness to cooperate have laid a good foundation for China-Portugal cooperation in building the "Belt and Road."

China-Portugal cooperation in building the Belt and Road has been fruitful. In recent years, China-Portugal bilateral trade has been growing, reaching \$6 billion in 2018 and exceeding \$9 billion in 2022, a record high. Against the backdrop of the impact of the epidemic and the sluggish global economic recovery, this hard-won achievement fully reflects the resilience and vitality of economic and trade cooperation between the two countries. Chinese investment in Portugal covers a wide range of sectors, increasing from € billion in 2018 to €1.2 billion in 2022. The variety and volume of Portuguese exports to China are also increasing, with Portuguese black pork, wine and beer becoming increasingly popular among Chinese consumers. More than 40 Chinese universities and colleges offer Portuguese language courses, five Confucius Institutes have been established in Portugal, and many local public and private schools offer Chinese language courses. The results of this cooperation have brought tangible benefits to the people of both countries and strengthened cultural exchanges and people-to-people contacts between the two countries.

Both China and Portugal face the challenges of stabilizing the economy, safeguarding people's livelihoods, and promoting development. China is willing to work with Portugal to promote further the effective integration of the Belt and Road Initiative with Portugal's development strategy and steadily carry

out cooperation in green, digital, innovative, and maritime fields so as to promote more high-quality achievements in the construction of the Belt and Road in China and Portugal. China attaches importance to Portugal's role in the European Union and the United Nations. China attaches importance to Portugal's role in the European Union and the Community of Portuguese-speaking Countries and is willing to expand tripartite or multi-party market cooperation further to benefit more countries and people.

Hundreds of years ago, Chinese blue and white porcelain came across the ocean to Portugal and merged with local porcelain-making techniques to create the unique and charming 'Portuguese blue'. The people of the two countries share a long and enduring friendship. We believe that the future construction of the Belt and Road will further promote the continuous development of the China-Portugal comprehensive strategic partnership, bear more fruit, and benefit the people of China and Portugal.

5.5. POTENTIAL SOLUTIONS

In light of the aforementioned findings and conclusions, the following potential avenues for promoting the deepening and long-term prosperity of Sino-Portuguese trade are put forth for consideration.

- ☞ Establishment of bilateral economic and trade cooperation mechanisms: China and Portugal can establish economic and trade cooperation mechanisms, such as the Sino-Portuguese Economic and Trade Joint Commission (JETC), to meet regularly to resolve trade and investment issues and to explore opportunities for future cooperation.
- ☞ Promote two-way investment: By signing bilateral or free trade agreements, Chinese and Portuguese companies can be encouraged to invest in each other's countries and promote two-way investment flows.
- ☞ Developing cross-border e-commerce: China and Portugal can cooperate to establish a cross-border e-commerce platform to promote the import and export of goods between the two countries and expand the scale of bilateral trade.
- ☞ Jointly build industrial parks: China and Portugal can cooperate to build industrial parks, provide preferential policies to attract enterprises to move in, and promote industrial upgrading and technology transfer.
- ☞ Innovation cooperation: China and Portugal can cooperate in scientific and technological innovation, set up joint research centers or laboratories, and promote the transformation and industrialization of scientific and technological achievements.

- ☞ Strengthen financial cooperation: China and Portugal can cooperate in developing financial business and set up bilateral financial institutions or funds to support enterprises' investment and financing needs.
- ☞ Talent exchanges: China and Portugal can strengthen talent exchanges and cooperation, promote cooperation between educational and scientific research institutions, and train professionals in both economic fields.
- ☞ Jointly develop third-party markets: China and Portugal can jointly develop third-party markets, such as Africa and Latin America, and carry out cooperation projects in infrastructure construction and energy development.

6. CONCLUSION AND RECOMMENDATIONS

6.1. CONCLUSIONS OF THE STUDY

The research of this dissertation focuses on Sino-Portuguese investment cooperation, and through a literature review and in-depth interviews, it comprehensively understands the current situation and problems of Sino-Portuguese investment cooperation and puts forward corresponding solutions and suggestions. The results of the research are as follows:

Sino-Portuguese investment cooperation has achieved remarkable results, with the investment scale of both sides increasing and the investment fields expanding. There are some problems in Sino-Portuguese investment cooperation, mainly an unstable policy environment, a relatively small market size and pronounced cultural differences.

Sino-Portuguese investment cooperation has broad development prospects, which can be promoted by strengthening policy coordination, deepening market opening and enhancing cultural exchanges. Various modes of Sino-Portuguese investment cooperation can be flexibly selected according to the needs of different industries and enterprises.

The advantages of Sino-Portuguese investment cooperation are strong complementarity, broad market prospects, and strong policy support. The disadvantages are small market size, unstable policy environment, and significant cultural differences.

The opportunities for Sino-Portuguese investment cooperation lie in China's Belt and Road Initiative, and the market potential of Portuguese-speaking countries, but the challenges lie in the uncertainty of the global economy and geopolitical risks.

Strengthening policy coordination, deepening market liberalisation and enhancing cultural exchanges can promote the deepening and development of Sino-Portuguese investment cooperation.

Based on the above, this thesis concludes that Sino-Portuguese investment cooperation has great potential and broad prospects, but some difficulties and problems need to be overcome. Strengthening cooperation and continuously exploring new modes and areas of cooperation can realise mutual benefits and win-win situations between China and Portugal and promote common development.

6.2. PRACTICAL IMPLICATIONS

Practical Implications

This thesis has important practical significance for Sino-Portuguese investment cooperation, mainly in the following aspects:

- ☞ It deepens the understanding of investment cooperation between China and Portugal. Through an in-depth study of the current situation and problems of Sino-Portuguese investment cooperation, both sides have a deeper understanding of the actual situation and problems of investment cooperation, which helps both sides better grasp the opportunities for cooperation and improve their level of cooperation.
- ☞ Provide useful references for deepening Sino-Portuguese investment cooperation. By analyzing the advantages, disadvantages, opportunities, and challenges of Sino-Portuguese investment cooperation, this thesis proposes strengthening policy coordination, deepening market openness, enhancing cultural exchanges, etc., to provide valuable references for deepening Sino-Portuguese investment cooperation.
- ☞ Provide a reference for promoting the construction of the Belt and Road initiative. Sino-Portuguese investment cooperation is an integral part of the initiative, and this thesis's research results are significant in promoting it.

6.3. RESEARCH RECOMMENDATIONS AND OUTLOOK

Based on the above empirical analysis and discussion, this thesis puts forward recommendations and outlooks to provide valuable references and lessons learned for deepening and developing Sino-Portuguese investment cooperation.

Strengthen policy coordination and enhance policy transparency. In the face of an unstable policy environment, China and Portuguese-speaking countries need to strengthen policy coordination and enhance policy transparency and predictability so that enterprises can better anticipate the market environment and reduce investment risks.

Deepen market liberalisation and expand areas of cooperation. China and Portugal are complementary in terms of economic development stage, industrial structure, market demand, etc., and need to deepen market liberalisation and expand cooperation areas to diversify and sustain investment cooperation.

Strengthen cultural exchanges and enhance mutual trust and cooperation. As there are significant cultural differences between China and Portuguese-speaking countries, it is necessary to strengthen cultural exchanges and enhance mutual trust and cooperation so that both sides can better understand and communicate with each other and promote the deepening and development of investment cooperation.

Promote the Belt and Road Initiative to strengthen Sino-Portuguese cooperation. China's Belt and Road Initiative provides a new opportunity and platform for Sino-Portuguese investment cooperation, and both sides need to make full use of this opportunity to strengthen cooperation and promote the deepening and development of Sino-Portuguese investment cooperation.

Looking ahead, Sino-Portuguese investment cooperation has a broad prospect and can be strengthened in the following aspects:

- ☞ Deepening investment cooperation and strengthening industrial chain docking. China and Portugal have good potential for cooperation in energy, infrastructure, science, and technology innovation. Strengthening investment cooperation and deepening industrial chain docking is necessary for realizing mutual benefits and a win-win situation.
- ☞ Strengthen talent cultivation and improve the level of cooperation. China and Portugal have complementary advantages in talent cultivation and scientific and technological innovation. Strengthening talent training and collaboration is necessary to promote the development and growth of enterprises on both sides.
- ☞ Expand the third-party market and promote the upgrading of cooperation. Sino-Portuguese investment cooperation is more comprehensive than China and Portuguese-speaking countries. It can also be expanded to other African, American, and European markets to realize a higher level of mutually beneficial cooperation through upgrading cooperation.

6.4. LIMITATIONS AND FUTURE RESEARCH

This thesis focuses on the current situation and problems of Sino-Portuguese investment cooperation. However, an in-depth discussion has been conducted through a literature review and empirical analysis, and there are still some limitations, mainly in the following aspects:

- ☞ Data sources need to be more comprehensive. Due to the limitations of data collection, this dissertation's research object is limited to publicly released data and literature, and it is

impossible to conduct in-depth research and analysis on some unpublished data and information.

- ❧ Short study period. The research phase of this dissertation mainly focuses on the period after 2013, so it is challenging to comprehensively reflect the historical evolution and future trend of Sino-Portuguese investment cooperation.
- ❧ Research methods need to be more diversified. This thesis mainly adopts two research methods, namely literature review and in-depth interviews, and needs to cover more research methods, such as case studies.

In summary, this thesis's research results are of great practical significance in deepening Sino-Portuguese investment cooperation and promoting the "Belt and Road" initiative. However, some limitations still need further improvement and expansion in the subsequent research.

In order to enhance the comprehensiveness of the study, it would be beneficial to utilise a questionnaire in the future, which would facilitate the acquisition of further data and enable the monitoring of individuals over an extended period.

	Orientation of the questionnaire	Frequency of questionnaire	Additional
For those currently participating in the study	Please indicate whether the Belt and Road Initiative continues to positively impact your industry	The frequency of the procedure is once every three months	
For those who will participate in future studies	Please describe the impact of the Belt and Road Initiative on your industry	This occurs at a frequency of once every four months	The number begins at 100 and is expanded by 50 at a time

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8.ANNEXES

General questions for in-depth interviews:

Q: What is the impact of the Belt and Road Policy on your business?

Q: What is the impact of the Belt and Road Policy on the economy of Portuguese-speaking countries?

Q: Is the Belt and Road Policy necessary for the development of the current market and the future development of your business?

Q: How can your business contribute to the implementation of the Belt and Road Policy and the advancement of the globalised market?

Q: In your opinion, how does the Belt and Road policy specifically assist your business in operating within the Portuguese market? / How has your company contributed to the implementation of the Belt and Road policy in Portugal?